ENHANCING CAPACITY FOR LOW EMISSION DEVELOPMENT STRATEGIES/EC-LEDS CLEAN ENERGY PROGRAM

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GREEN BUILDING MARKETING STRATEGY

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ACRONYMS

BRE	Building Research Establishment
BREEAM	Building Research Establishment Environmental Assessment Method
CEO	Chief Executive Officer
EC-LEDS	Enhancing Capacity – Low emission Development Strategy project
EE	Energy efficiency
ERN	Europe Regional Network of Green Building Councils
Europe AID	EU Agency for International Development
GBC	Green building council
GBC Georgia	Green Building Council Georgia
GOG	Government of Georgia
IBC	International Building Code
LED	Low emission development
LEDS	Low Emission Development Strategy
NGO	Non-governmental Organization
RS	Rating System
SC	Steering Committee
TG	Target Group
UK	United Kingdom
USAID	US Agency for International Development
WGBC	World Green Building Council

EXECUTIVE SUMMARY

During Year 1, EC-LEDS conducted an assessment of the building sector including the status of green and energy efficient buildings, as well as green and energy efficient materials. Working with stakeholders through the Green Building Certification Working Group (GBCWG), EC-LEDS made a decision to promote certifications using existing international rating systems, e.g. Leadership in Energy and Environmental Design (LEED) and Building Research Establishment Environmental Assessment Methodology (BREEAM), as well as promoting energy efficiency through an energy performance labeling program. A Georgia-specific rating system focused on existing buildings will be developed based on learning through implementing LEED and BREEAM in Georgia.

The EC-LEDS Component 2 has a target of certifying at least 10 green or energy efficient buildings/sites within five years (by 2017). During discussions with Georgian builders and developers who have constructed green buildings or are in the process of building or rehabilitating energy efficient buildings, it became clear that there is interest in certification, though the consulting and certification fees is a barrier. To overcome this and other barriers, a marketing strategy was developed specifically to achieve this target, and which is in line with GBC Georgia's general marketing strategy (Annex I, a separate document).

The certification process includes several stages, including site/s preliminary assessment, feasibility study, implementation, and final assessment and certification. Technical and financial resources, reference materials, and human resources and expertise, are required to certify or label green or energy efficient buildings, and are different for each system or program. Some of these costs will be borne by the certification/labeling consulting firm as they are resources they must have on hand for their business. This includes software, technical and reference guides, weather and other data, assessors'/certifiers'/labelers' fees, and the technical training costs to obtain the required skills. Costs borne by the owner/developer include the fees charged by the certifiers/assessors/labelers, the certification fee paid to LEED or BREEAM, and project design and implementation costs.

This Marketing strategy includes a focus on those groups who are potential decision makers for certification or those who can support and encourage decision-makers, i.e. those who supply the market with buildings. Decision makers include developers, builders, large building stock owners or operators (including government), and in some cases renters/leasers. Supporters include lenders, real estate institutions, and architectural, engineering, materials production and construction businesses. To overcome the lack of perceived value in paying for certification, competitions will be held and an award provided for an existing green building and a green building design. A market assessment will be conducted and an Action Plan developed which will identify additional interventions required.

EC-LEDS will also conduct outreach and awareness to the final users and occupiers of buildings. This includes the National and local government who are users of the largest building stock in Georgia (including schools), companies that lease or rent office or retail space, and the general public who occupy detached homes and flats,
An initial activity includes supporting a television show on green buildings to be hosted by students. Based on the assessment to be conducted above, we will gain a better understanding of the target markets (i.e. the purchasers or renters) for the buildings being built or renovated by the building suppliers. Additional public outreach activities will be designed after this assessment is completed.

SECTION ONE: INTRODUCTION

During Year 1, EC-LEDS conducted an assessment of the building sector including the status of green and energy efficient buildings, as well as green and energy efficient materials. Working with experts from the Alliance to Save Energy, the Green Building Council of Georgia, with support from Winrock International, hosted two Green Building Certification Working Group (GBCWG) meetings. At these meetings, an approach to developing a green building certification system in Georgia was discussed. EC-LEDS experts recommended, and the GBCWG agreed, to promote certifications using existing international rating systems, e.g. Leadership in Energy and Environmental Design (LEED) and Building Research Establishment Environmental Assessment Methodology (BREEAM), as well as promoting energy efficiency through the energy performance labeling program. A Georgia-specific rating system focused on existing buildings will be developed based on learning from implementing LEED and BREEAM in Georgia.

The EC-LEDS Component 2 has a target of certifying at least 10 green or energy efficient buildings/sites within five years (by 2017), including 2 certifications in 2014-2015 and 4 in 2015-2016. During year 1, during discussions with Georgian builders and developers who have constructed green buildings or are in the process of building or rehabilitating energy efficient buildings, it became clear that there is interest in certification, though the consulting and certification fees is a barrier. It became clear that a marketing strategy was needed to target those companies/organizations most likely to be willing to pay these fees, combined with a promotional strategy to promote the benefits of certification in creating value for developers/owners and to increase demand from their customers.

SECTION TWO: MARKETS FOR GREEN BUILDING CERTIFICATIONS AND ENERGY PERFORMANCE LABELING

1.2 Target for Certifications

EC-LEDS has a target of 10 sustainable buildings or sites to be certified under different certification schemes by the end of September 2017. This will be completed in 2 phases. Prior to September 2015, Winrock International will support several activities designed to promote GB certification or energy performance labeling. The sites must show exemplary energy performance, which forms the foundation and fulfills requirements of both green building and energy efficient building certification and labeling schemes.

Ideally, all 10 buildings will be certified under LEED, BREEAM or other international schemes, since in addition to energy performance, green buildings provide other environmental benefits. However, in the very limited time scale for this program it is very difficult to launch and complete the certification process for new construction under one of the major green building rating system schemes, e.g. LEED or BREEAM. Therefore, the focus will be mainly on certifying existing buildings using either LEED or BREEAM, or labeling energy efficient buildings using an energy performance labeling program as appropriate for various target markets. The target for LEED and BREEAM will be either commercial buildings or multi-family buildings (flats). However, EC-LEDS may support certification of a detached dwelling as part of a demonstration program. The project has selected Display as the most suitable and easily applicable system for labeling energy performance of buildings. Display is the certification scheme used to rate and certify the building stock of municipalities in the EU Covenant of Mayors participant cities.

1.3 Options for certifications

EC-LEDS will focus on new developments or major renovations, minor energy efficiency upgrades for existing buildings and existing energy efficient buildings. The decision makers who will be targeted include the site/building owner and the site/building developer or seller. Targeting tenants is also possible, but this is often very difficult due to the split incentive, i.e. the owner/developer makes the decisions about the building shell and the tenant pays the utility bills. It will be important to understand the decision-making process in Georgia and to learn from programs in Europe and the US that have addressed this issue. The main types of buildings will include large and small office blocks and offices, retail buildings, schools and universities, medical facilities, mixed use multi-story developments and multifamily dwellings. Others, including single family dwellings, may also be targeted.

1.4 Stages and certification activities

The certification process covers several stages. The certification activities at each stage are described below.

Stage 1 — Site/s preliminary assessment
This includes selection of the basic data on each building such as building fabric, envelope properties, climate zoning, and applied heating/cooling strategy, condition of the fabric and building services

Stage 2 – Feasibility stage
This includes comparative estimation of the sites applying a scoring system. Issues to be considered are: site size, necessary upgrades required, financial implications of the certification project, ownership of the site, envisaged input from stakeholders, required technical capacity, and human capacity.

Stage 3 – Implementation
Assessment of the current energy performance, design of the site upgrade to green or energy efficient site compliance. Implementation of the upgrade can be a major or minor renovation, as well as small repairs.

Stage 4 — Final assessment and certification
Final estimation of the results, measuring and verification of the performance, certification.

1.5 Resources and Expertise Required

The technical resources, reference materials, human resources and expertise, and financial resources required to conduct certifications are described below. These resources and requirements are different for certifying green buildings versus labeling energy efficient buildings. Some of these costs will be borne by the certification/labeling consulting firm as they are resources they must have on hand for their business. This includes software, technical and reference guides, weather and other data, assessors'/certifiers'/labelers' fees, and the technical training costs to obtain the required skills. Costs borne by the owner/developer include the fees charged by the certifiers/assessors/labelers, the certification fee paid to LEED or BREEAM, and project design and implementation costs.

Technical Resources

Case 1 Green buildings	Case 2 Energy Efficient Buildings
- Energy simulation software - Labeled or certified materials and products - Luminance calculation software - Weather data for particular locations - Materials property guides - Recycling and re-use schemes	- Weather data for particular locations - Energy performance calculation software - Local materials property guides

Reference Materials

Case 1 Green buildings	Case 2 Energy Efficient Buildings
- Energy performance standards - Lighting standards - Reference guides for materials and products, covering but not limited to: heaters, roof materials, adhesives, paints, flooring, HVAC units.	- Reference methodology

Human resources /expertise

Case 1 Green buildings	Case 2 Energy Efficient Buildings
- Energy simulation knowledge/skills (for design and certification) - Skills of work with English reference standards (for design and certification) - Accreditation/licensing (for certification) Commissioning specialist skills (for certification) - Acoustic calculations skills (for certification) - General architectural and environmental engineering skills (for design)	Energy audit and performance rating knowledge

Financial

Case 1 Green buildings	Case 2 Energy Efficient Buildings
- Registration and certification fee - BREEM/LEED or equivalent RS consulting fee - Assessor's / certifier's fee - Project design cost - Project implementation cost	- Registration and certification fees - Energy efficiency consulting fee - Auditor's/certifier's fee - Project design cost - Project implementation cost

1.6 Target Markets for certification and labeling schemes

The Green Building Council Georgia supports variety of the rating and certification systems to be used. However, under the EC-LEDS program, the most globally popular and relevant schemes will be promoted, e.g. LEED and BREEAM, and energy performance labelling using the Display software. As described in the GBC Georgia Marketing Strategy, other systems may be promoted and supported as there is interest (see Annex I).

The table below shows rating systems, their applicability, support under the EC-LEDS program, approach to transferring to Georgia, costs and risks, and the potential target market for each system. Adopting a system refers to using it as designed and referring to the standards in the originating country (US for LEED and UK for BREEAM). Adapting normally requires permission from the accrediting body (USGBC for LEED and BRE-Global for BREEAM). It can entail everything from translating the system from English to Georgian, incorporating Georgian standards if they exist (e.g. materials and energy performance), or other adaptations to local conditions. LEED and BREEAM have both been adapted in other countries.

EC-LEDS will be supporting adoption and use of LEED and BREEAM for new and existing buildings, and development of a preliminary version of a Georgian rating system focused on existing buildings. The reason for choosing existing buildings is that the reference standards and codes for LEED and BREEAM are less applicable to Georgia than for new buildings. LEED refers to US standards and codes and BREEAM refers to UK standards and codes. Given the lack of standards and codes in Georgia, a Georgia-specific system is more appropriate. The European Regional Network of the World Green Building Council, of which GBC Georgia is a member, may decide to develop one common rating system focused on CO2 reductions in the near future, based on customer demand. Therefore, the plans for proceeding with continued development and implementation of the Georgia-specific rating system will be evaluated annually.

The System	Applicability	Support by EC-LEDS	Transfer to Georgia	Cost and risks	Potential Target Market
LEED	New buildings	Supports	Adopting	Higher certification cost English reference materials Higher level expertise needed	Local large businesses International and other high budget projects
LEED	Existing buildings	Supports	Adopting	Higher certification cost English reference materials Higher level expertise needed	Local large businesses International and other high budget projects
BREEAM	New buildings	Supports	Adopting	Higher certification cost	Local large businesses

				English reference materials Higher level expertise needed	International and other high budget projects
BREEAM	Existing buildings	Supports	Adopting	Higher certification cost English reference materials Higher level expertise needed	Local large businesses International and other high budget projects
Local Rating System	New buildings	Does not support	Developed in Georgia in the longer term	Low certification cost Mid-level expertise needed Available Georgian reference materials	Local large, small and medium sized businesses Other international or local budget projects, Private initiations
Local Rating System	Existing buildings	Supports	Preliminary version developed in Georgia based on learning from LEED and BREEAM	Low certification cost Mid-level expertise needed Available Georgian reference materials	Local large, small and medium sized businesses Other international or local budget projects, Private initiations
Other international systems	New buildings	Does not support	Adopting or adapting	Higher certification cost English reference materials Higher level expertise needed	Local large businesses International and other high budget projects
Other international systems	Existing buildings	Does not support	Adopting or adapting	Higher certification cost English reference materials Higher level expertise needed	Local large businesses International and other high budget projects

DISPLAY (only for energy efficiency performance)	New buildings	Supports	Adopting	Low certification cost Mid-level expertise needed Available Georgian reference materials	Local large, small and medium sized businesses Other international or local budget projects, Private initiations
DISPLAY (only for energy efficiency) performance	Existing buildings	Supports	Adopting	Low certification cost Mid-level expertise needed Available Georgian reference materials	Local large, small and medium sized businesses Other international or local budget projects, Private initiations

SECTION THREE: PROMOTION AND OUTREACH FOR GREEN AND ENERGY EFFICIENT BUILDINGS

2.1 Increasing Private Buildings Supplier Demand for Certifications

EC-LEDS will first focus on those groups who are potential decision makers for certification or those who can support and encourage decision-makers, i.e. those who supply the market with buildings. Decision makers include developers, builders, large building stock owners or operators (including government), and in some cases renters/leasers. Supporters include lenders, real estate institutions, and architectural, engineering, materials production and construction businesses.

The process for identifying potential green building projects will begin with assessing the market and the value proposition that certification can provide to suppliers in supplying their target market. An Action Plan will be developed based on this assessment, including developing a list of potential companies with a "green" brand, especially international companies in Georgia or looking to do business in Georgia. Research Interviews will be set up with target groups to sites/projects to be certified per the Action Plan.

In addition, EC-LEDS will conduct competitions for existing and new building certifications. There are several builders and developers in Georgia who claim their buildings are green or energy efficient. However there is no standard upon which to judge whether these claims are true. Also, as mentioned above, these same developers/owners have so far been able to market their buildings without the certifications. In order to have an independent verification of whether buildings are green, and to promote the benefits of certification, EC-LEDS will hold a competition for a Green Building of the Year award for an existing building. The EC-LEDS will hold two Green Building Forums in Tbilisi and Batumi and announce the winner of the Best Green Building of the Year Award. There are Architects who are designing green and energy efficient buildings, but young Architectural students are not being exposed to these concepts. Therefore, EC-LEDS will hold a competition for a green building design. The winners of this competition will be announced at the Students' Awareness Event. The Energy Efficiency Center of Georgia holds competitions for energy efficient building designs. Therefore, EC-LEDS will collaborate and cooperate in implementing these competitions.

2.1 Increasing Demand for Certification from Building Purchasers and Users

EC-LEDS will also conduct outreach and awareness to the final users and occupiers of buildings. This includes the National and local government who are users of the largest building stock in Georgia (including schools), companies that lease or rent office or retail space, and the general public who occupy detached homes and flats,

Initially, we will support a television show on green buildings to be hosted by students. Based on the assessment to be conducted above, we will gain a better understanding of the target markets (i.e. the purchasers or renters) for the buildings being built or renovated by the building suppliers. Additional public outreach activities will be designed after this assessment is completed

The table below represents the target groups, aslo provides information on how to reach them.

Target Marketing			General Marketing	
Groups	How to reach		Groups	How to reach
Developers	direct contact		All groups	Public Awareness Campaign through: - TV, - outdoor advertisement - radio - Facebook and web pages of supporting organizations
materials producers	- identification through yellow pages - direct contact			
large building stock owners or operators	direct contact			
governmental institutions	direct contact with relevant departments			
architectural, engineering and construction businesses	- through professional associations, - direct contacts with larger businesses - their business forums			
large building stock owners or operators	- direct contacts with larger businesses - through chambers			
renters	- direct contacts with larger businesses			
lenders	- through banking and microfinance associations, - direct contacts with larger banks - their business forums - through chambers			
real estate institutions	- real estate association, - direct contact with larger companies			
all stakeholders	- mailing list - web, Facebook and Twitter			

2.3 Key messages on the benefits of certification

In addition to promoting reducing emissions, green building provide other value to end users. The outreach campaign will focus on these additional benefits of certification:

- Verified Building Performance
- Healthy Buildings
- Reduced operating costs for energy and water
- Reducing costs of waste management
- Increased Productivity
- Reduced environmental risk
- Reduced risks associated with lack of energy unreliability

Also the campaign can focus on the added value in particular types of buildings:
- Increased sales per 1 sq. Meter (retail buildings)
- Increased production (factories and workshops)
- Better academic performance (educational buildings)
- Earlier discharge (hospitals)
- Increased productivity (offices)

We will also glean specific information from the Market Assessment on the value proposition for builders, developers and owners, including for reaching and serving their target market.

2.4 Roles of actors

The table below describes the participants in the marketing processes and their roles.

Participants	Their Role
World Green Building Council	- Source of reference materials, good practice guides and lessons learned - Support in communication with other national green building councils
Alliance to Save Energy	- Input and Review of Marketing Action Plan - Lead target Marketing for LEED and BREEAM certifications
Green Building Council Georgia	- Development of Marketing Action Plan - Preparation of marketing materials, - Organizing and planning meetings, discussions, other visibility events - Management of GBC Georgia web page - Administration of mailing lists - Communication with stakeholders
Winrock International	- Managing outreach campaign, including GB competitions - Development of collateral materials - Supporting educational and outreach activities on television, radio and in print - Logistics support for meetings and workshops

REFERENCES

Business Plan
Development Guide for Green Building Councils
World GBC 2009

A new Era in Building Partnerships
World GBC 2013