



Ministry of Economics  
Republic of Latvia

# Latvian experience with energy efficiency programmes

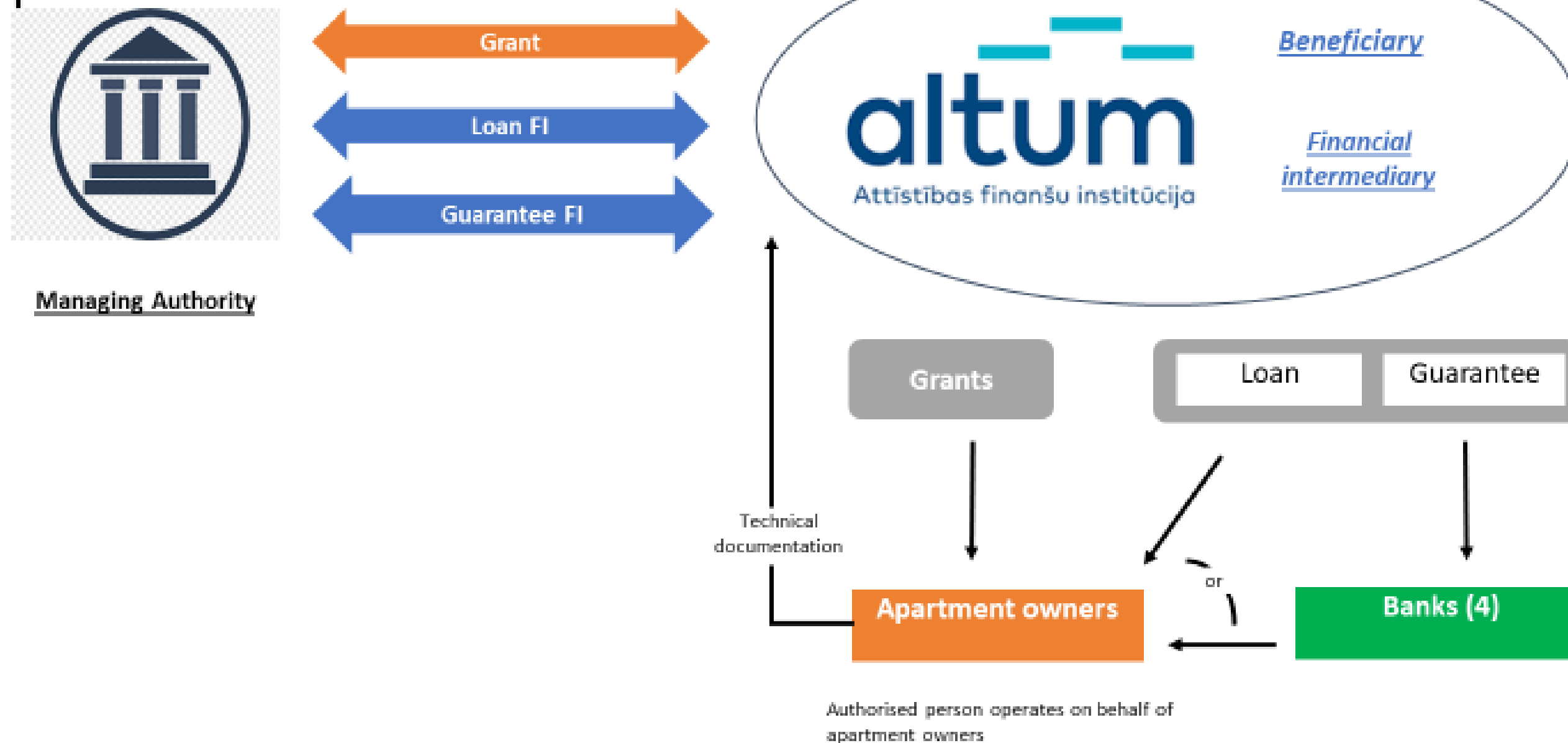
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# Energy Efficiency Programme for Multi-Apartment Residential Buildings in Latvia

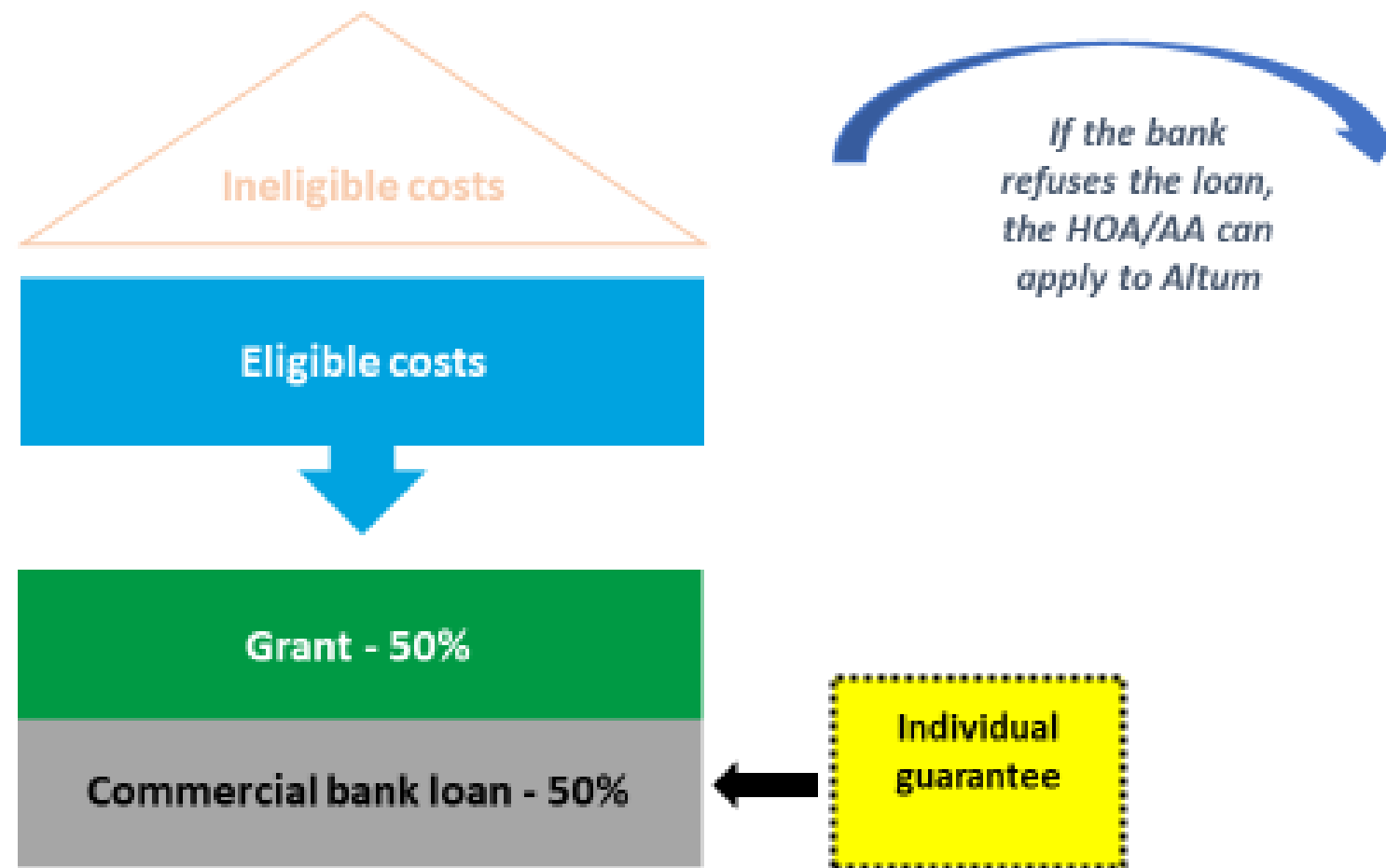
- Latvia counts about 16,000 buildings with more than 3 apartments. More than 1000 of them have been renovated as of 2020.
- 2007-2013: grant programme for EE investments in residential housing managed by LIAA.
- 2014-2020: combination of FI and grants managed by Altum
- ERDF funding: EUR 136m for grants (+30m in 2020)
- EUR 350m of total investments financed (incl. bank financing) until 2023

# One scheme: 2 FI and grant operations

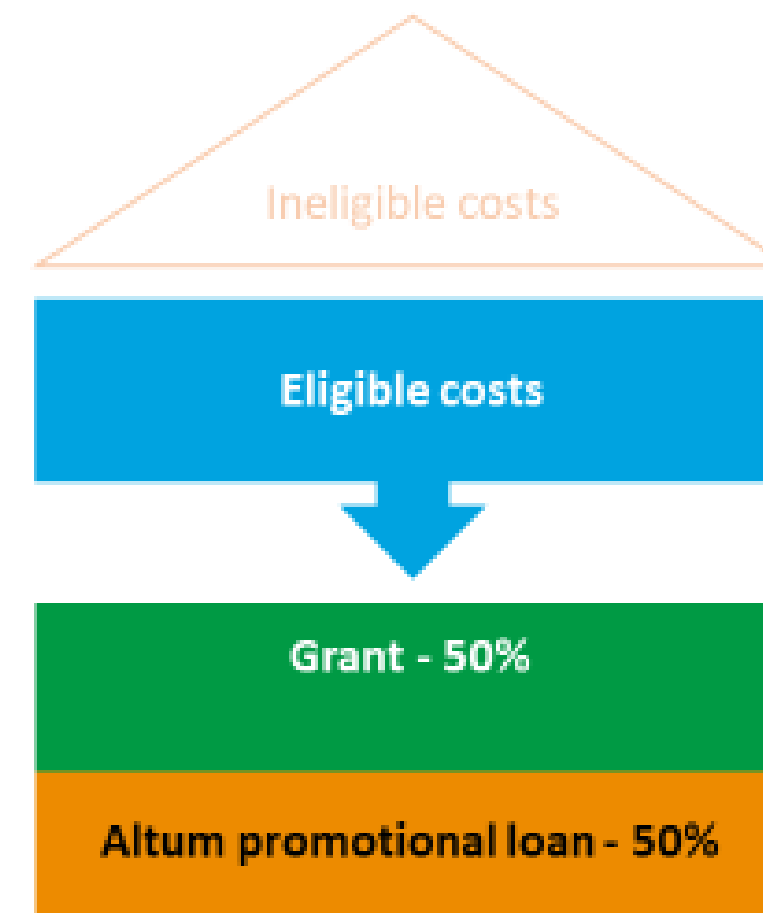


# Implementation models of the financial instruments

- 1 – Guarantee FI



- 2 – Loan FI



# Focus on the one stop shop – who does what?

## Commercial banks

- Receive a loan application
- Perform their standard due diligence
- Use dedicated tools developed by Altum to assess the project's eligibility, payback period
- Check invoices transmitted by Home Owners Association / AA
- Make 'combined payments' to construction companies

## Altum

- Is responsible for grant eligibility and final decision (final grant application submitted via a dedicated webtool once bank loan proposal is accepted)
- Keeps justification / documentation of the investments supported with the grants
- Disburses the grants on the banks' accounts

# Lessons learned

- Grant disbursement model may be simplified
- Complex State aid treatment – at apartment owners' level
- The payback period calculation (max. 30 years) may be replaced by max. project cost per sqm
- Banks refuse to finance projects in less developed areas or of small size – bank's reluctance to finance projects has increased in 2020 (crisis effect?)
- Improvement of awareness level and motivation of apartment owners to implement renovation projects

## Energy savings

58%

or

79 kWh/m<sup>2</sup>



## Average temperature of the apartment



Before



After

## Heating costs

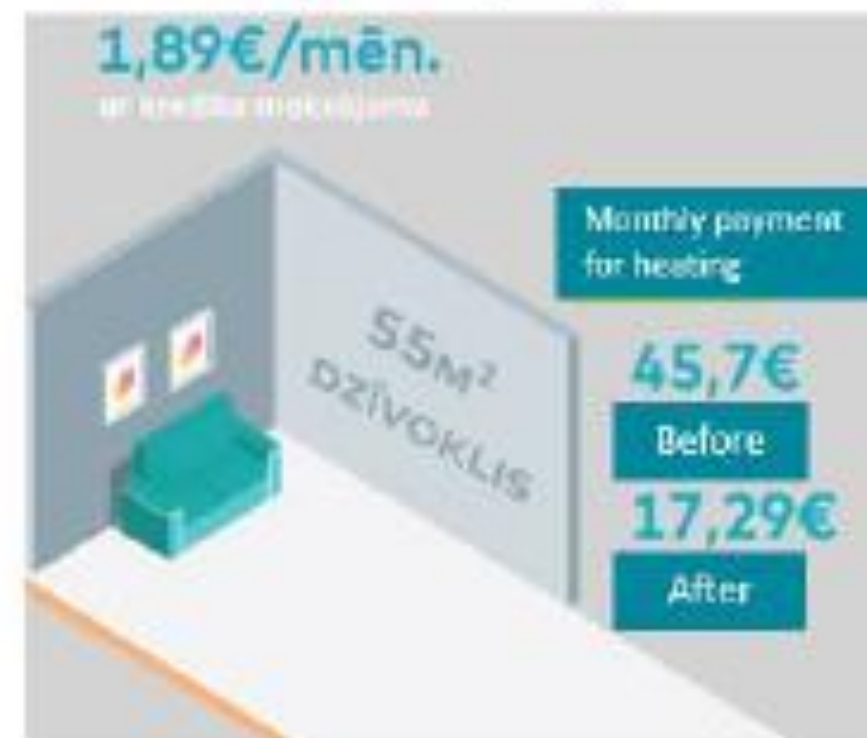


Before



After

## Payment changes (example)











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Thank you!