



Improving Energy Efficiency in Multi-Apartment Residential Buildings Latvia

**Olivier Dumoulin, Investment Platform
Advisor, European Investment Bank**

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Energy Efficiency Programme for Multi-Apartment Residential Buildings in Latvia

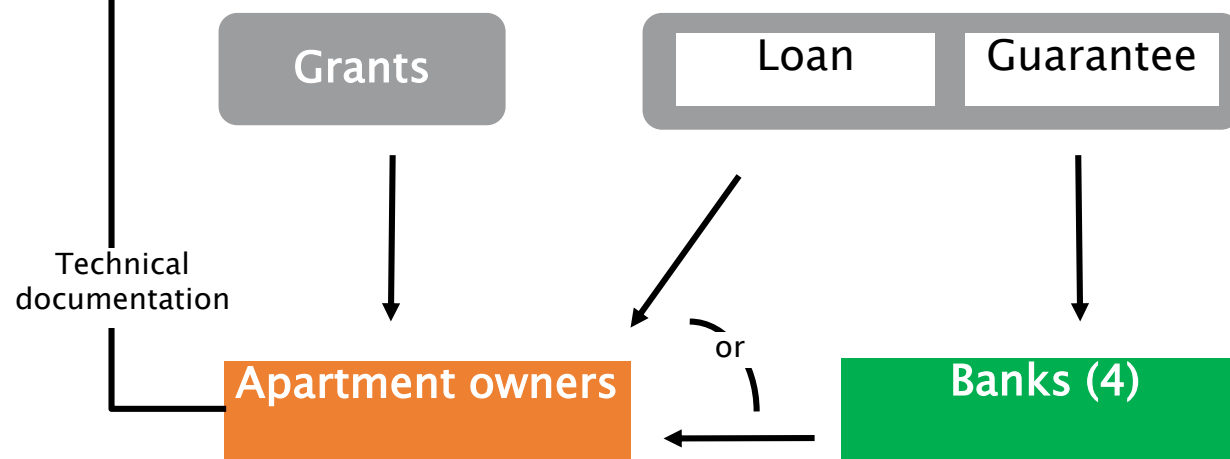
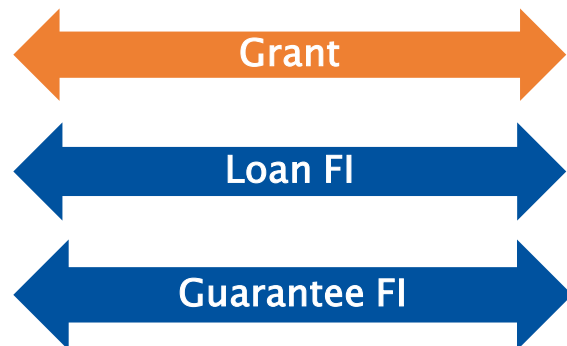


- Latvia counts about 16,000 buildings with more than 3 apartments. In these multiple apartment buildings, tenants are encouraged to create a homeowner association ('HOA'). 650 of them had been renovated as of 2020.
- 2007–2013: grant programme for EE investments in residential housing managed by LIAA.
- **2014–2020: combination of FI and grants managed by Altum**
- ERDF funding: EUR 136m for grants, 22m for FI initially (+30m in 2020)
- EUR 350m of total investments financed (incl. bank financing) until 2023

One scheme: 2 FI and grant operations



Managing Authority



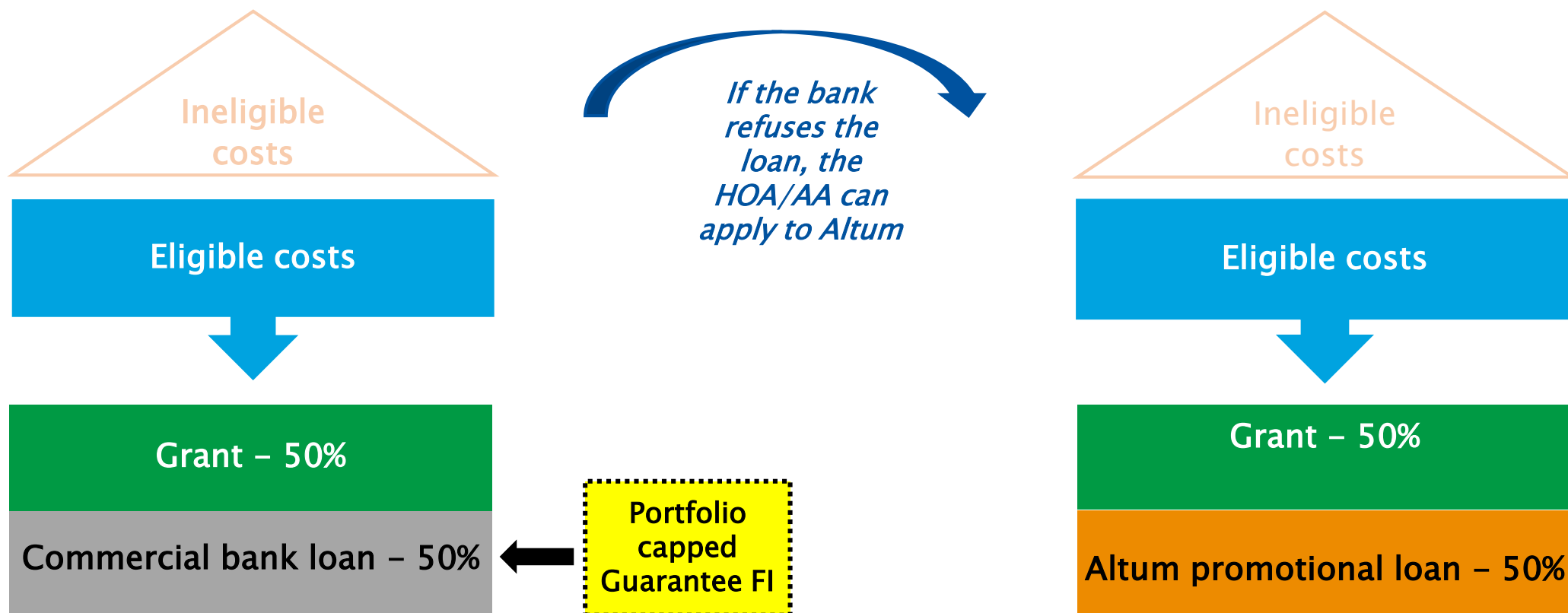
Authorised person operates on behalf of apartment owners

Implementation models of the financial instruments

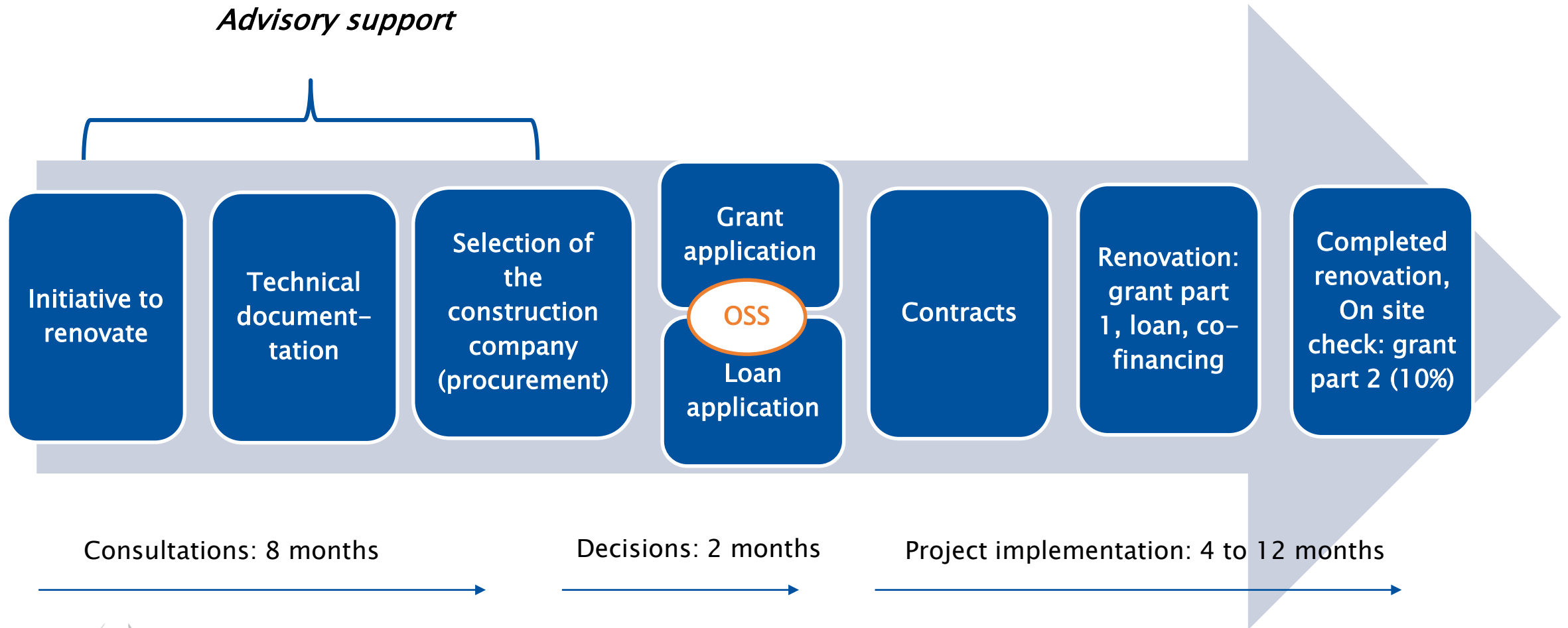


1 – Guarantee FI

2 – Loan FI



Project implementation process



Focus on the one stop shop – who does what?



- **Commercial banks**

- Receive a single application for grant and FI support
- Perform their standard due diligence
- Use dedicated tools developed by Altum to assess the project's eligibility, the payback period
- Transmit the grant documentation to Altum for decision as well as the commercial bank's loan documentation in case of Altum guarantee
- Check invoices transmitted by HOA/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 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



Appendices



Project requirements – technical support



EE performance

Energy consumption for heating after renovation
<90 * kWh / m2 per year

HOA risk profile

Assessed at HOA level – Max 10% late payments in previous 12 months for utilities (HOA collects loan installments with utility payments from members)

Economic analysis

Maximum payback period – 30 years

Technical support to HOA provided by Altum

- Technical documentation submitted by AA or HOA to Altum which approves it
- Altum has set up a dedicated competence center (project managers) to advice AA/HOA – several iterations to finalise technical documentation are needed
- Support to construction company selection / procurement process
- TS is free of charge for AA/HOA ; funded by ERDF (EUR 7m)

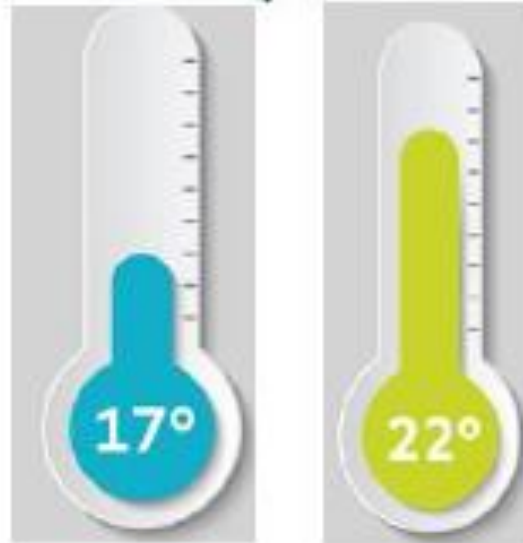
Results



Energy savings
58%
or
79 kWh/m²



Average temperature
of the apartment



Before

After

Heating costs

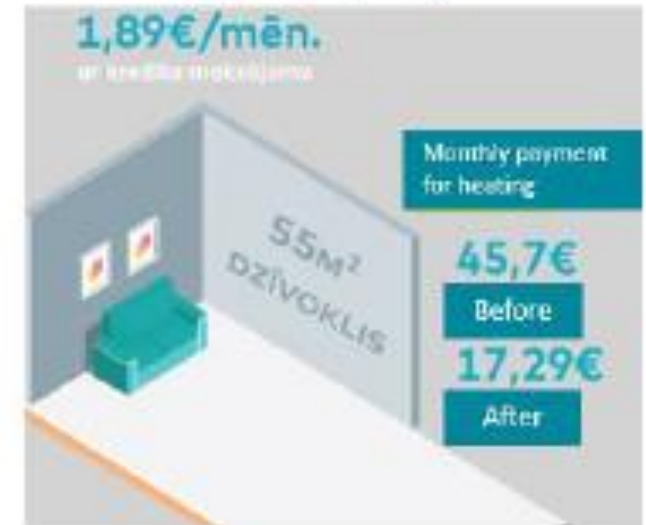


Before



After

Payment changes
(example)



Source: Altum

Results



Sigulda, Institutu Street 10
103.type, Year 1979
66 flats, 4618,4 m²



Total cost of project: **EUR 778 480**
Consumption before: **159 kWh/m²**
Planned consumption after: **52 kWh/m²**

Source: Altum



Thank you!

o.dumoulin@eib.org

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