



Combined financial instrument for increase of energy efficiency in multi-apartment residential buildings

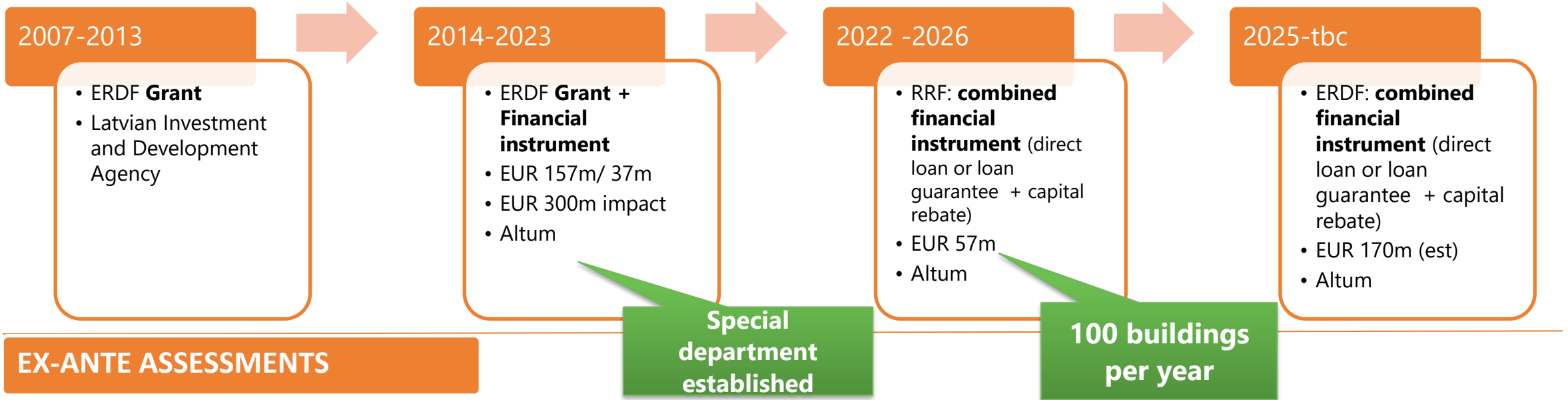
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 #ficompass



Energy Efficiency Programmes for multi-apartment residential buildings in Latvia



1. EU Planning Period 2014–2020 ex-ante

The following market failures were identified, supporting the **need for Fis**:

- suboptimal investment situations
- informational asymmetry and scarcity
- scope of projects and transaction costs
- lack of capacity and experience

**Total funding deficit
2.9 billion EUR**

2. EU Planning Period 2021–2027 ex-ante

- confirms the need for FI
- recommended financing model - combined financial instrument

Challenges



- Limited interest from apartment owners to renovate
- Owners fears of taking on **large long-term commitments**
- Large initial investments for the preparation of technical documentation
- Potential for block of houses **renovation**
- Detailed energy audit is required:
 - expensive
 - must be changed several times during the implementation of the project according to changes in the project
- Mainly **small houses** (up to 80 apartments) are **renovated**
- Long and **complex process**
- **Social programme** features



Multi-apartment building programme 2021-2027

12 steps to Capital rebate



Capital rebate

(% of total eligible costs)

50%

prefabricated elements; renovation of building quarters

40%

other cases

1. Initiation of the energy efficiency project (Meeting of apartment owners)
2. Elaboration of technical documentation (planned - Simplified energy audit + energy auditor's assessment of achievable savings)
3. Application to Altum for reservation of the Capital rebate
4. Altum reserves the maximum capital rebate (max. 5000 EUR to 9000 EUR depending on the building area per 1 MWh/annually of energy savings)
5. Selection of the service providers (Development of project technical documentation)
6. Loan application to commercial bank
7. Approval of financing terms (Meeting of apartment owners)
8. Loan/Guarantee application to Altum (Increase of loan term from 20 to 30 years)
9. Approval by Altum. Loan disbursement
10. Implementation of the project
11. Application for activation of capital rebate + energy audit after project completion
12. Decision on capital rebate

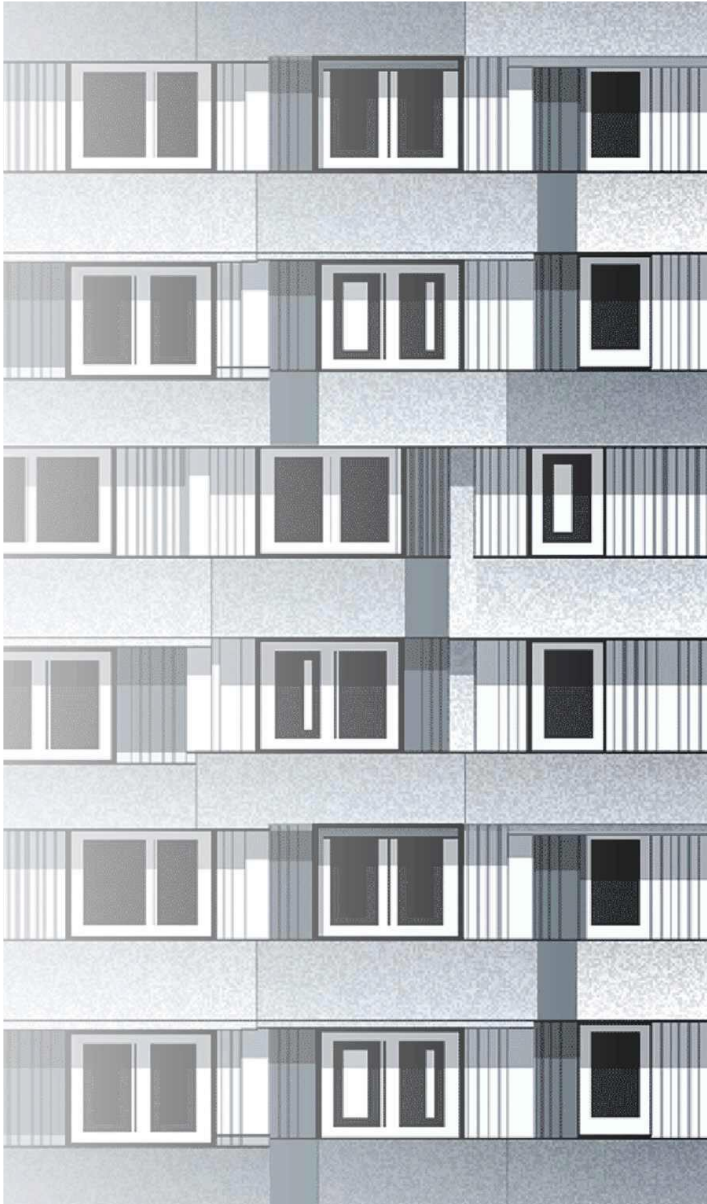
<https://www.altum.lv/pakalpojumi/iedzivotajiem/daudzdzivoklu-maju-energoefektivitate-2022-2026?tab=2>



Finansē
pas Savienība
(iGenerationEU)



Multi-apartment residential building programme 2021-2027



Energy savings

1. Deep renovation $\geq 30\%$ of energy savings

2. Shallow renovation (under consideration) – **up to 30%**

Project management

Up to 3% of the project eligible costs

Support for energy poverty

Planned additional state budget funding

Technical assistance (ELENA financing)

Preparation of technical documentation

Standard solutions

Standard project is developed for houses of the 103 series (1503 build.).

It is planned to develop for the 316 (173) and 602 (299) series

Use of the design&build service

Contract model under development

State aid

De minimis, if apartment is used for economic activities

Links to the documents



- **Ex-ante assessment:** [0_ex_ante_assessment-report_en.pdf \(esfondi.lv\)](#) (126-128 page)
- **Energy audit normative:** [Ministers Regulation No. 222 of 8 April 2021 "Methods for Calculating Building Energy Performance and Rules for Building Energy Certification."](#) (in Latvian)
- **Cabinet of Ministers Regulations:** [Eiropas Savienības Atveseļošanas un noturības mehānisma plāna 1.2. reformu un investīciju virziena "Energoefektivitātes uzlabošana" 1.2.1.1.i. investīcijas "Daudzdzīvokļu māju energoefektivitātes uzlabošana un pāreja uz atjaunojamo energoresursu tehnoloģiju izmantošanu" īstenošanas noteikumi \(likumi.lv\)](#) (in Latvian)
- **Information about the program on Altum web page:** [Daudzdzīvokļu māju energoefektivitāte 2022 - 2026 - Altum](#) (in Latvian)

Program description in the contract with Ministry of Economics



1. Name of the investment
2. Regulatory acts regulating the implementation of the program
3. Amount of investment
4. Purpose of using the funding of the recovery fund
5. Special regulations for financing the program
6. Special rules for program management
7. Special rules for covering program losses
8. Duration of investment implementation
9. Additional conditions of the program
10. Achievable indicators/goals of the investment
11. Investment Goal Achievement Documents
12. Investment binding DNSH
13. Start of eligibility of investment expenses
14. Additional accumulated data and information submitted to the Ministry upon request
15. Conditions for the evaluation of the supplier selection process by the final beneficiaries.



Thank you!

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