

Experience in Developing Sustainable Financial Instruments in Latvia

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24.01.2019

Sustainable Financial Instruments

DEVELOPMENT

Introduction of innovations, long-term plans

REDUCE COSTS

Reduced energy consumption

NEW MARKETS

Certification

ENVIRONMENT

CO2 reduction



SOCIETY

Brand recognition / engagement

LOWER RISKS

Costs and availability of energy

Loans for Increase of Energy Efficiency



Loan Terms

Loan amount – **up to 2,85 MEUR**

No collateral required

Own financing requirement **10-15%**

Maturity up to **7 years**

For **SMEs** and large companies

Loan repayment is ensured by extra cash flow from reduced energy bill.



GREEN BONDS



**+4 MEUR
COSME
GUARANTEES**

BUSINESS LOANS

for energy efficiency

ESCO LOANS

- Lightening
- Solar panels
- Energy efficient technologies



Types of Supported Projects

ENERGY EFFICIENCY

- District heating based on renewables
- Energy recovery projects
- Non-fossil technologies/ manufacturing
- Non-fossil energy consumption reduction

RENEWABLE ENERGY

- Wind
- Sun
- Bio energy

GREEN BUILDINGS

- Passive and nearly zero energy buildings
- Construction of new buildings / major renovations

SUSTAINABLE TRANSPORTATION

Solutions / systems based on non-fossil fuel and supporting infrastructure



Progress

- Loans approved – **18 projects**, including 3 ESCO
- Total loan amount – **6.8 million. EUR**
- Technical assistance project has been started (financed from ELENA programme)
- Limited number of projects in **sustainable transportation and bio-energy** sectors

Grants, Guarantees and Loans for Increase of Energy Efficiency in Residential Multiapartment Buildings



Main Principles



Max 90 kWh/m² per year energy consumption



Min 5 apartments

Max 50% non-residential premises



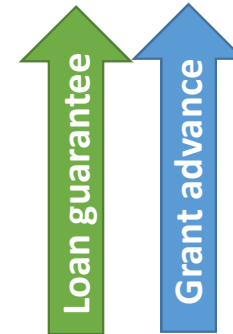
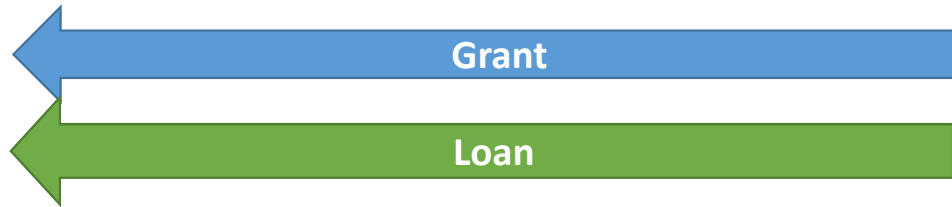
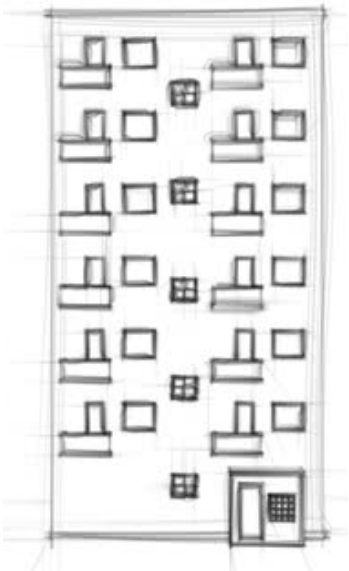
Grant 50%
(35% if Altum loan provided)



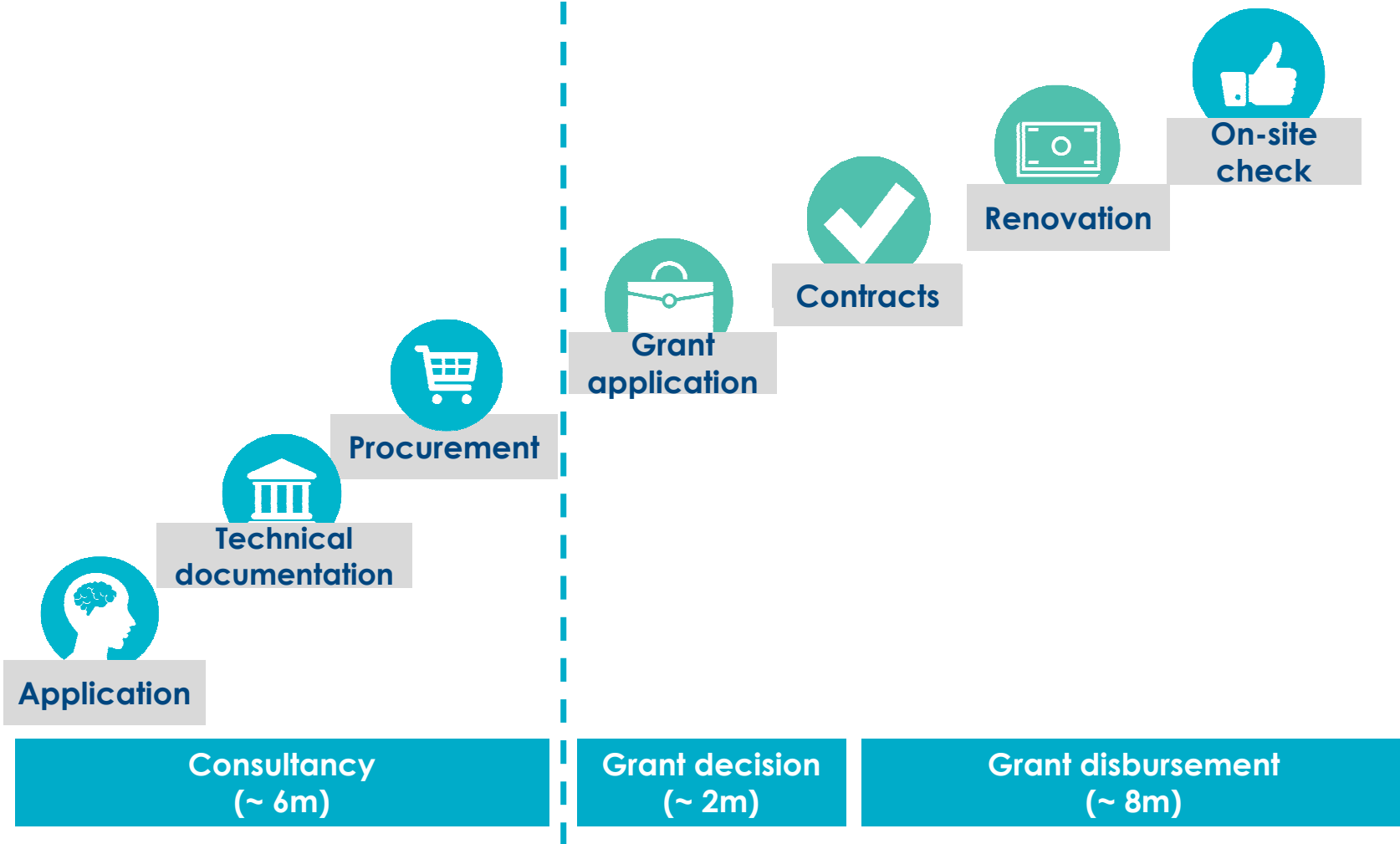
Max 30 years payback period



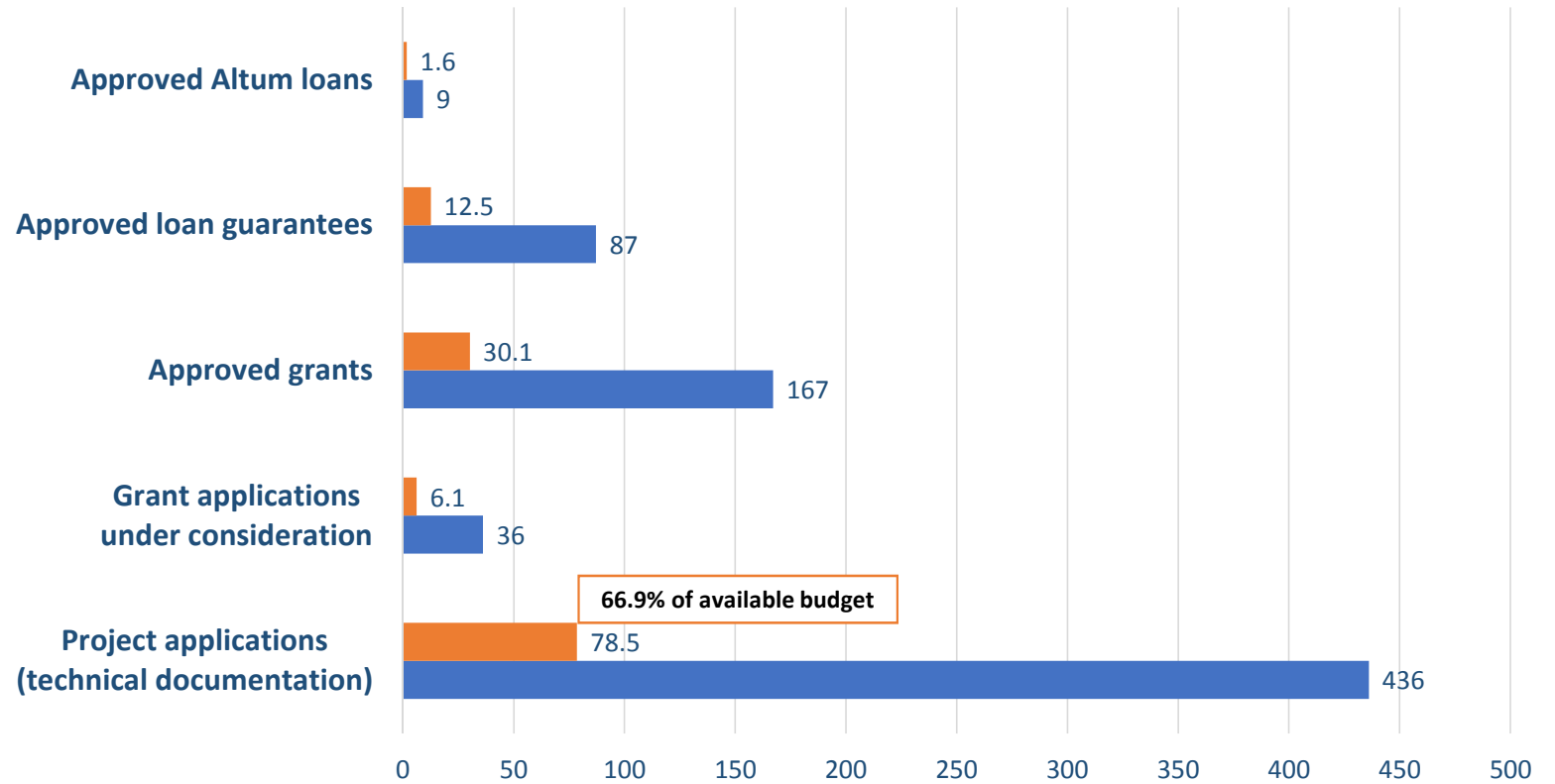
Implementation Model



Process



Progress



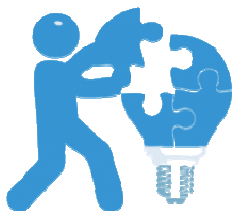
	Project applications (technical documentation)	Grant applications under consideration	Approved grants	Approved loan guarantees	Approved Altum loans
■ Total volume (mIn EURO)	78.5	6.1	30.1	12.5	1.6
■ Number of projects	436	36	167	87	9

Some considerations

- Increase in construction costs affected pay-back period of investments (Cabinet of Ministers Regulations had been amended accordingly – from 20 to 30 years)
- Grant approval / disbursement process is rather complex
- Authorized persons have very different level of experience in project management
- Apartment owners tend to prefer relatively short-term loans (10-12 years)



Average energy consumption for heating before renovation	kWh per sq.m.	134.12
Planned energy consumption for heating after renovation	kWh per sq.m.	54.61
Average costs or renovation	EUR per sq.m.	151.35
Average size of building,	sq.m	2621
	number of apartments	38



COMPETENCE CENTER

Evaluation of solutions, attraction of partners, consultations in preparation of the project



FINANCIAL EXPERTS

Support in project structuring



FUNDING

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