



Financial Instruments 2014-2020 under European Structural and Investment Funds (ESIF)

Brussels, 19-20 January 2015

FI experiences in energy efficiency

Frank Lee,
European Investment Bank

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Lithuanian case study

Ministries of Finance and of Environment
contribution of circa EUR 150m from Operational Programme:
« Promotion of Cohesion 2007-2013 »

 **Holding Fund managed by EIB**

Investment Committee

← Oversees activity of holding fund

Contingent loans

SIAULUS BANKAS SWEDBANK SEB VIPA

Long term subsidised renovation loans

↑ Repayments

Housing and Urban Development Agency (HUDA)

Grant & Technical assistance

PROJECTS:
Eligible energy efficiency projects in multi-apartment buildings

BORROWERS:
Individual owners of apartments in multi-apartment buildings / administrators of commonly used premises of multi-apartment buildings





Pipeline of renovation projects

- More than **3,000** buildings have had their investment plans **approved for JESSICA funding ≈ EUR 700m**
- Almost **1,000** of these have already started construction **≈ EUR 230m**
- Around **750** of these have **signed financing contracts** with intermediaries
- Almost **EUR 100m disbursed** by intermediaries to projects



Benefits of JESSICA scheme in Lithuania

- **Recycling** via repayable investment - **24,000** multi-apartment blocks need to be renovated by **2020** - massive financial resources therefore required.
- Model to combine **both grants, technical assistance and loans in a single financial instrument** – inspired the “Renovation Loan off the shelf” instrument
- Large scale national programme with a potential to become an important stimulus for the economy, especially in terms of the **construction sector and local jobs**.
- Implementation of the programme for the improvement of energy efficiency will ensure **lower heating bills for residents, lower carbon emissions** and **reduce foreign energy dependency**.
- **Social impacts** such as reducing fuel poverty, improved health conditions, inclusion and potentially also youth unemployment.



Case study from Kredex on Estonian model

Grant 15, 25 or 35%

Do more – get more

- 15%
 - Fulfill the terms for renovation loan,
 - Energy saving 20 or 30%, according to the size of the building
 - Energy label E, energy consumption $< 250 \text{ kWh/m}^2$
- 25%
 - roof, facade, windows (U 1, 1) heating system,
 - Energy saving at least 40%
 - Energy label D, energy consumption $< 200 \text{ kWh/m}^2$
- 35%
 - roof, facade, windows (U 1, 1) heating system, heat-recovery ventilation system,
 - Energy saving at least 50%
 - Energy label C, energy consumption $< 150 \text{ kWh/m}^2$
- **In all the cases it is obligatory to fulfil the criteria for indoor climate!**



Case study from Kredex on Estonian model

Awareness raising

- Campaigns since 2006
- Info days/seminars/workshops – to beneficiaries, builders, energy auditors, project designers, local municipalities
- Advertisements in newspapers/magazines
- Internet (website, banners, news, articles)
- Direct mails
- Leaflets/booklets
- Cooperation with banks
- Energy week in November (since 2010)



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Thank you

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