



ELENA Project Factsheet
Grant for Implementation of Energy Efficiency Projects
(GIEEP)

Location	Latvia
Beneficiary	JSC Development Finance Institution Altum
CoM signatory	NA
Sector	Energy efficiency in buildings
Total PDS cost	EUR 1 080 000
ELENA contribution	EUR 972 000
Project Development Services (PDS) financed by ELENA	<p>ELENA TA will be provided to Latvian SMEs and mid-cap enterprises to prepare energy efficiency investments related to the refurbishment of their buildings aimed at significantly increasing energy savings (e.g., industrial buildings, offices, retail sector, hotels, etc.). ALTUM will act as the ELENA TA provider, and as a financial lender, however, the individual enterprises will not be required to borrow funds from ALTUM to implement the energy efficiency investments. ELENA TA will be carried out and coordinated by internal staff with the support of external experts:</p> <ul style="list-style-type: none"> • The ELENA funded staff will consist of two ALTUM employees. The ELENA funded staff will comprise a Project Manager (working full-time) and a Project Risk Manager (working 60%). • ALTUM will also contract external experts to perform energy audits and to provide recommendations on the energy efficiency measures to be implemented. The external experts will also provide advice, when required, to prepare feasibility studies and business plans.
PDS Timeframe	Q1 2019 – Q4 2021
Investment programme description	<ul style="list-style-type: none"> • Investment programme relates to the energy efficiency improvements of existing properties (e.g., industrial buildings, offices, retail sector, hotels, etc.) owned by SMEs and mid-cap enterprises (large industrial facilities falling under the ETS Directive 2003/87/EC and investments in upgrade of industrial processes are excluded); • Concrete energy efficiency measures, e.g., improving building envelope, lighting, ventilation, heating, cooling, etc. will be defined in detail on a case by case basis by the energy audits and expert advice provided by the ELENA TA;

	<ul style="list-style-type: none"> It is estimated that 300 enterprises will apply for the ELENA TA. A typical investment supported by the ELENA TA is expected to be on average EUR 90 000. The simple payback period for these investments is estimated at eight years; Enterprises will implement the investments on their own. ALTUM will provide financing in the form of an energy efficiency credit line. The remaining financing will come from enterprises equity, commercial banks, and ESCOs. Taking a loan from ALTUM will not be a prerequisite to obtaining the ELENA TA.
Investment to be mobilized	EUR 25m
Description of the approach to implement the Investment Programme	<p>ALTUM and the final beneficiaries will sign a contract for the provision of the Project Development Services assuring investment implementation. The contract will include the following provisions:</p> <ul style="list-style-type: none"> Grant is available for companies registered in the National Register of Enterprises of the Republic of Latvia; Enterprises must ensure co-financing amounting to 10% of the TA cost, which should be transferred to ALTUM prior to receiving the TA; Based on the technical assistance received, the company should perform investments in energy efficiency of at least 20-fold of the amount received from the ELENA TA; Enterprises must provide ALTUM information on the planned investments and reconcile planned activities; Date of the investment – no later than the date in accordance with the signed ELENA agreement between the EIB and ALTUM; Enterprises must provide sufficient documentation proving investments – invoices, acceptance act, etc. <p>In case of failure to fulfil rules regarding investment amount, the ELENA agreement will foresee the full return of grant received.</p>
Expected results	<ul style="list-style-type: none"> Energy Efficiency – Annual total energy saved 44.8 GWh CO₂ reductions – Annual total reductions of 5 645 CO₂eq t.
Leverage factor (Minimum 20)	26
Market replication potential	It is expected that the financial instrument dedicated to financing energy efficiency investments of Latvian SMEs and mid-cap enterprises can be replicated by the commercial banks in Latvia and possibly in the other Baltic States.
Status	Contract signed on 17/12/2018
Contact person at Beneficiary	Arnīs Dzalbs, Arnīs.Dzalbs@altum.lv