**BUILD2LC Project**

**Boosting Low Carbon Innovative Building Rehabilitation in European Regions**

Bi-lateral Meeting Fiche

Template

Learning from Lithuania about the Multi-Apartment Retrofit Programme and Financial Instruments

Date, time, location of meeting

Donor or exporting Region: VIPA, Lithuania

Receptor or importing Region: Severn Wye, Gloucestershire, UK

| **BI-LATERAL MEETING FICHE** |
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| *During the bilateral meetings, all necessary information to define the adaptation of the best practices by a region will be compiled, depending on the particular local conditions in each region, as well as the more appropriate methods and monitoring indicators. Each partner will develop at least one bilateral meeting on the themes of interest to make sure that all partners participate in this exercise in a balanced way.**The bilateral meetings will be developed in situ (max. 2 per region) and/or electronically (skype conferences, video conferences, or telephone interviews, etc.). The results of the bilateral meetings will be* ***documented by the host region (receptor region)*** *and will be useful to further develop the final version of the action plan in each region.* *Each partner region may host several partners in a multilateral meeting in case they are interested in pursuing and adapting the same working issues.* |
| **Basic information of the Good Practice(s) to be adopted:** | 1. Innovation in Financial Instruments (FIs)
2. Standardisation and simplification in multi-apartment building modernisation
3. Quality in multi-apartment building modernisation
4. Technical support and promotion in multi-apartment modernisation (BETA Agency)
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| 1. *Innovation in Financial Instruments (FIs)*

Topic: New financial instruments; innovation; activation of demandBrief description: VIPA has developed a non-standard product to finance MABs and has developed a securitisation model to attract financing and ensure percentage loans can be fixed for 5 years and that payback periods can be longer. This also activates demand.1. *Standardisation and simplification in multi-apartment building modernisation*

Topic: Activation of demand and combating energy poverty; professionalization of the construction sectorBrief description: As the MAB programme developed, it became important to standardise documentation and processes to make the application, procurement, and monitoring process efficient. The government also wanted to make the process simple.1. *Quality in multi-apartment building modernisation*

Topic: Activation of demand and combating energy poverty; professionalization of the construction sector; new financial instrumentsBrief description: Following issues with the quality of work during the initial phases of the MAB retrofit programme, more needed to be done to improve quality and manage public relations. Therefore, a range of checking measures were implemented and there were changes to the procurement process. Supervision and checks were formally implemented and planned in to the process and good examples of implemented projects were promoted in the media.1. *Technical support and promotion in multi-apartment modernisation (BETA Agency)*

Topic: Activation of demand and combating energy poverty; professionalization of the construction sectorBrief description: There were issues with the initial MAB retrofit programme due to failures in the public relations programme; poor organisation of multi-apartment owners; a lack of organisations and personal to manage the extra administrative work. As a result, an organisation known as ‘BETA’ was established to: provide support with programme preparation and implementation; the co-ordinate administrators; evaluate project documentation; supervise project implementation; monitoring; administration of subsidies; and organising capacity building.

| **Reception region status** | Pay attention to the benchmarking fiches and take basic information from it |
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Severn Wye Energy Agency has supported key stakeholders in Gloucestershire to identify the main actions for the Build2LC project. We are now looking to learn from our Lithuanian partners to inform our actions. The details of this are provided in the benchmarking fiches (attached) which cover:* Main needs in your region to respond with this good practice(s) once adopted in your region.
* Main objective of the transfer.
* Potential beneficiaries and relevant stakeholders to be involved.
* Problems or barriers that could appear when transferring the good practice to your region.

However, as the project has progressed, the main areas of interest for Severn Wye Eneegy Agency to learn from are:1) FI Innovation• How Lithuania engaged stakeholders and financial institutions (and got commitment to fund the loan)• The preparations in advance to establish the mechanism• How VIPA worked with government on a local and national scale• How the financial instrument works alongside other mechanisms and policies• The challenges faced and how VIPA and Lithuania overcame challenges• How the loan was marketed and monitored• What happens if the loan is not repaid?2) Standardisation and Simplification (including the work of BETA agency)• What were the challenges faced (e.g. lack of organisation of residential blocks)?• How were the challenges tackled (including engagement of residents, communities, local stakeholders)?• What processes were put in place? (including: examples of the forms/processes used (in English if possible))• How marketing and communication took place• The advantages and disadvantages of the updated system3) Quality in MA buildings  We are interested in all aspects listed in the GP including the practical details, processes and documentation linked to: * technical projects are checked and approved by municipalities specialists; construction companies are required to provide insurance, that they can perform works in accordance to the contract;
* construction companies are pre-checked before public procurement process (companies are checked for their capacity, excluded companies in black list);
* construction works are supervised by independent and certified specialists;
* effective complaint system is developed in order to timely react to any resident complaint;
* BETA (technical support agency) is performing field visits to check if all requirements of MABR are met;
* state territorial planning and construction inspectorate (local construction supervisory authority) has to visit each construction site at least 2 times;
* good examples of implemented projects are promoted in the media

Also, the presentation in January 2017 at the inter-regional seminar in Vilnius mentioned some problems with sourcing the right construction companies. We are keen to support local contractors where possible so we would like to find out more about the types of contractors procured and how this was managed.

| **Attending partners and stakeholders** | Mention persons, charges and stakeholders involved in this bi-lateral meeting |
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* Mike Brain, CEO, Severn Wye Energy Agency
* Victoria Boynton, Senior Project Manager, Severn Wye Energy Agency
* Ruta Dapkute-Stankeviciene, Deputy Director of the EU Investment Department, Ministry of Finance
* Neringa Grazinyte, Associate Partner TGS Baltic, Lawyer of European Investment Bank
* Inesis Kiskis, Director of European Union assistance management department, Ministry of Environment
* Marius Smaidziunas, Deputy director of project division, Housing Energy Saving Agency (HESA)
* Simona Ramanauskiene, Head of Publicity programme implementation division, Housing Energy Saving Agency (HESA)
* Mindaugas Rudys, Director of Department for Development of Financial Services of Siauliu Bankas
* Justinas Bucys, Head of Investment and development division, VIPA
* Kristina Vaskeliene, Deputy CEO, VIPA
* Vaida Lauruseviciene, Head of Assistance programme division, VIPA
* Justinas Poderis, Senior Associate, Law firm GLIMSTEDT
* Francisco Caceres, National Association of ESCOs of Spain (ANESE)
* Ignacio Contreras, Spanish Institute of Financial Analysts
* Stakeholders and partners from: VIPA, Lithuania; Andalusia, Spain; and Slovenia, were also in attendance.
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| **Description and outputs of the bi-lateral meeting***Financial instruments in Lithuania: set up, lessons learned and implementation*Ruta outlined the sources of EU funding and the links between EU funding and Lithuania’s financial instruments. Lithuania know that they have to focus more on financial instruments and make these go further considering: continuity, re-use, attraction of private investments, and multiplication of investments.Have recently conducted a review of the financial instruments in combination with changes to energy costs. For example, if energy costs have fallen then payback is longer on the loans. This review is informing the future direction.Financial intermediaries included in the funds are: banks (79%), pension funds (7%), leasing companies (5%), insurance companies (4%), credit unions (3%), capital market participants (2%). Lithuania has also changed the legal framework to support the national promotional institutions. Also doing crowd-funding for businesses who want to access finance. Loans in 2007-2013 were largely focused on supporting SMEs which was easier in terms of risk.There are two funds for the business sector: the entrepreneurship promotion fund – loans for SMEs or individuals to start and develop their own business. The business financing fund provides loans, guarantees, equity and investments to provide R&D opportunities to businesses: these are not energy related. However, for domestic multi-apartment blocks (MAB) there are separate funds and there was a lot of pressure to meet demand. These are focused on retrofit to improve energy efficiency. There is also a fund for public buildings and street lighting (Energy Efficiency Fund). There were some issues if a whole building is not used by the public sector. ESCOs were established but it took time. Combined loans with subsidies in the MAB programme. Some subsidies are important when starting out. Funds are also established for: Municipality owned buildings fund, cultural heritage fund. A water fund is in development.Key actions for post -2020: keep the measures as simple as possible (more flexibility, less rigidity, more flexibility for tailor made instruments). *Implementation of MAB renovation programme – future plans*Inesis gave a history of the attempts to start a scheme for MAB. Some projects were time limited, other issues included financial downturn and also a change in government had an impact. JESSICA was launched in 2009 by the finance ministry; it wasn’t a success straight away.Initially lent to the house-owner association at 3%. Eligible costs included anything that contributed to an increase in energy efficiency including retrofit and installation of renewables. Thought programme was excellent BUT issues were: chromic distrust of the government – residents worried it wouldn’t last etc, failed public relations programme – issues with competition and procurement and lots of negative propaganda, apartment owners poorly organised (and not many of them), lots of owners on fixed and low income – they didn’t want to borrow from the bank, also lots of subsidies for bills.Other challenges included: state aid issues, data protection and handling – issue of the potential 49% who didn’t want to sign up and their data being shared, mostly small companies bid for contracts – lots of individual buildings so bigger firms didn’t want to apply for contracts, gas costs reduced.So, what did they do to revive the programme?* The new government proposed an extra incentive for those who wanted to improve energy. e.g. extra 25% written off if savings of 40% achieved within a time limit.
* List of worst performing buildings drawn up to target key areas.
* Municipalities appointed renovation administrators to sort out the house-owner association and apply for the loan. The renovation administrators held the loan but didn’t have to pay. Helped the banks to manage the loans as it was not done with individual tenants/buildings but the bank would deal only with the administrator.
* Gradual phase out of heating bill compensation if the MAB owners didn’t vote for the loan.

These changes led to positive impact on uptake. EIB really helped and they became the fund manager. They selected local commercial banks who were willing to participate.Commercial banks were initially reluctant, especially due to the timing coinciding with the credit crunch. Gradually they came round and were willing to put in some of their own money to the fund under the condition that the initial payments covered their own money before stocking up the fund. This was a precursor to the Leverage Fund. 4 commercial banks were involved and they lent out to owners.Note that the Leverage Fund focused on providing money to the municipality administrator and evaluated a whole portfolio rather than directly to the individual MABs. Currently still finalising the Leverage Fund to make sure it works but should make it simpler.Subsidies were a major obstacle as they were declining and there were issues getting them. Courage was needed to reduce the subsidies. Tricky to remove when they are in the initial programme. Was a 40% subsidy and now it is 30%.Advice is that you need:* To see the ‘big picture’ and have a strategic overview
* Have consistent policies and procedures otherwise there is a lack of trust
* Good knowledge of market conditions
* Have a range of alternative plans which are analysed before choosing – objective evaluation!
* Good planning – milestones and steps to achieve them
* Consultation with stakeholders but be consistent and tough, if necessary, in pursuing the goals
* Apply corrections in a timely manner
* Excessive grant funding is detrimental both to donor and beneficiaries

Low income people get all the costs paid for but the other apartment owners have to pay for the loan. The low income people get bill payments cut of they don’t vote.*Example of supporting energy efficiency improvements: leveraged fund, Lithuania*Under the Leveraged Fund the banks will be financing the modernisation loans solely with their own funds, supported by the first-loss portfolio guarantee instrument financed with EU structural funds. Historically the banks haven’t had to the risk as the EU has taken more risk. The evidence of success has helped earn the trust of the banks but as the initial loan only really took off in 2013 there isn’t a full record of success yet. Banks think it’s ok though.From each default, the guarantee payments will be 80%. EIB investing in guarantee fund, others may invest too.Three models:* Direct model – financing provided directly from financial intermediaries to the final recipients.
* Administrator model – finance goes to the administrator and then to the final recipients.
* Guarantee will cover the guarantee rate (80%) established losses.

*MAB modernisation programme in Lithuania: legal base, technical assistance, construction works, step-by-step implementation*BETA support the programme. Aim of the programme was to:* Increase energy efficiency in MAB
* Ensure heating costs and payments of the loan do not exceed the cost of renovation. (This is trickier to achieve.)

40% saving target for most buildings but 20% for heritage buildings.Overall the homeowner should make 10% savings on top of loan repayments and fuel bills.Stage 1: Prepare the investment plan which needs to be agreed by homeowners. This plan is mainly prepared by civil engineers. About 10-20 pages long. Aim is for homeowners and engineers to understand the plan. Some tables are for engineers and some for homeowners. The prices in the plan are already fixed at market level.Stage 2: The plan is approved by BETA and then homeowners via a vote. The plan has a range of packages to select from and the homeowners vote on the plan and then decide who they want to administrate the project, which bank and rate of interest etc.Stage 3: Tender of the projectProcurement agreed by BETAStage 4: Preparation of the technical projectCivil engineers with a special qualification prepare the project. Take 2-4 months.Stage 5: Tender for the construction company and technical supervisionWhen the technical project is ready then construction companies are procured.Step 6: Application for loan by the administrator. BETA has to check the procured work matches the plan. Loan paid when 10% of the work has been done and the work is deemed to be good enough. Step 7: Contractor starts construction works. Contractor is responsible for the quality of the works. Contractor is supervised by the technical supervisor. After the work has been done correctly and is approved by the project administrator, BETA and the engineer.Step 8: Completion of the construction work. Needs to be approved for use e.g. fire safety etc. All have to sign to say the building is good to use. This can take up to 1 month.Step 9: Once agreed the project administrator approaches BETA for the subsidy. BETA will pay the subsidy if all is in order.What are the subsidies?State subsidy – covers 100% of costs for administration and other key features. Subsidy for hard investment: 100% for low income family, 30% for others (was 50% pre-2012 but numbers still increasing).Credit line – all projects can get credit for 20 years. Interest rate fixed at 3% for first 5 years.What’s the role of municipalities?80% of projects are implemented by the administrator appointed by the municipality. This really helped the homeowners. Administrators can be individuals, communities, organisations etc.What changed post 2013?* Mostly all documents are standardised.
* Interim payments can be done for soft work (e.g. monthly). Hard investment paid at the end.
* There is an open credit line for the projects.
* Anyone can administrate the project.

Success depends on the administrator:* Takes the loan for the implementation
* Organises the procurements
* Takes responsibility for implementation
* Manages repayment of the loan

Catalogues of prices reviewed every 3-6 months.Procurement: 2 types – one for public use the national law. Other is for communities, they can procure in a different way. Can use an online system. System picks up the best offer – price, credit history, quality used to decide. Must have specified qualifications to do the work. Use framework agreements. In the beginning the quality of construction was lower. Still some weak points as the construction companies want to save money. May install low quality equipment. The technical supervisor is working for the homeowners and they are really important and act as a check. It is important to get a good technical supervisor. BETA also check on the quality of the projects and there is a national inspection either once or twice. Quality of the work has increased in the last 2-3 years. Activated the construction sector. now limited the number of projects annually to 500 per year. Didn’t train construction workers but the bad companies could not handle the process so these companies folded. Really don’t want the company to fold in the middle of the project therefore, credit history became more of a priority than before and the banks also check. Some requirement for previous experience of retrofit. Supervision is a key element that was added. Most projects are fairly small so it lends itself to the smaller local companies.The homeowners live in the building during the work. There are some difficulties e.g. if the pipes/windows need changing. Don’t have requirements about which product to use but they have to guarantee work for 5/10/15/20 years.Only a specific range of measures are approved and in the catalogue. Trickier for innovative projects at the moment.Have a requirement for as much heat as possible to be sourced from renewables. Renewable production of electricity is under review. A lot of buildings don’t want to be on the main system and want their own heat pumps etc rather than being on the network.*Promotion, communication and public awareness of the multi-apartment building renovation in Lithuania*Communication strategy written to target those in need and raise a positive profile. Communication carried out in 4 areas:1. Project coordination (fluency)
2. Information (clarity)
3. Motivation and incentives – encouraging target groups and municipalities to be more involved
4. Consultations

Two evaluation criteria:* Improved public awareness
* Intention to participate in the implementation of the programme

Two target groups include: Homeowners in pre-1993 construction buildings. Second group is other homeowners.Direct and indirect communication:* Media campaign (internet, national TV, specialised press, regional press radio etc)
* Public surveys
* Media monitoring
* Events

Capacity building – training municipal employees, seminars for apartment owners, administrators etc),Consultation and quality control – quality control visits (scheduled and unscheduled) also a free information number from 10 branch offices.Main communications messages:1. Presentation of the programme, financing
2. Development and implementation
3. Talking a lot about quality and sharing good practice examples

Plan delivered in waves with differing intensity.Public surveys:Have you heard about the project? 58.6% in 2014 to 95% awareness in 2017.Breakthrough when buildings started to fall down! As well as: establishment of appropriate systems at a political level, involvement of municipalities, constant and long term communication with consistent messages (short term communication tools don’t work). Tools have to be made well in advance of the campaign.Now a positive opinion about the programme. Continuously review resources. TV and internet (mainly social networks) are main ways people get positive information. Local politicians and trusted groups are important.*Experience of Siauliu Bankas in implementing energy efficiency projects – sharing their experience in the application of procedures, adaptation of IT systems, staff training etc.*Mindaugas outlined the loan scheme from a bank’s point of view. Keys to success include:* Participating in all earlier renovation programmes to gain experience
* Close cooperation with lead organisations and ability to give feedback
* Marketing and publicity

Loans are 20 years, grace period of up to 30 months. 3% interest p.a. for 5 years. No initial contribution. No credit administration fees. Often doesn’t take 20 years to pay back – one flat is usually about 3,000 euros.About 2% are not currently paying. The expectation of losses will be zero really as the background fund (JESSICA fund) will cover our bank’s loss. This is good for the bank.*Securitisation and forfaiting*Problems with securitisation including:* Fundamental conflicts between participants
* Falling lending standards
* Achievement of high leverage in sequencing schemes
* Complex structures
* Insufficient transparency

Recommended to watch the movie ‘Big Shot’.Reforms have been put in place to including:* Increasing quality of lending standards
* Adaptation of duties of securitisation intermediaries
* Simple Standard Transparent (SST)

More details on SST:* Traditional securitisation
* No cherry picking
* Transferable monetary claims
* Overdue claims ration does not exceed 90 days

More details on securitisation at <https://www.investopedia.com/ask/answers/07/securitization.asp> Advantages of securitisation:* Financing and risk transfer
* Diversifying funding sources
* Less risk on banking sector
* Increased competition
* Rick is allocated among investors
* Can be successful – went wrong because the structure changed. Traditional approach works.

Lots of participants involved in securitisation. These stakeholders all need to me managed so the process is difficult in the preparation stage but the longer term benefits are good.This is a good thing to do once you have a portfolio or track record (3 years or more).Forfeiting facility – standard procurement process and documentation created for ESCOs (standard EPC agreements). These can be found on VIPA’s website in English. *Modernisation of public buildings in Lithuania: Municipalities buildings, ESCO model implementation in Lithuania.*Ex-ante assessment: Hard to estimate demand and supply to estimate the market gap. Aim to identify the investment gap (Euros), number of buildings – supply and demand.*Energy Efficiency Fund:* 79.6 million Euros. Owned by the Ministry of Energy. Covers central government public buildings modernisation and street lighting modernisation. It will cover two other aspects soon e.g. renewables; these are under development.Loan amount is up to 80% for ESCOs but 100% of other public entities. ESCOs need to show a commitment, hence the 20% investment from them.Pillars for public buildings modernisation:1. ESCO model development
2. Direct lending to public institutions
3. Direct lending to central real estate manager (major applicant responsible for privatisation and real estate sales)
4. Repayable assistance – applicable when ESCO model does not work for a particular building. – This is different to 1-3. 30% subsidy only allowed.

Technical assistance for public buildings under ELENA project: Challenges for ESCO included flexibility and legal issues. Eased this by creating: standard ESCO procurement documents, criteria and procedures; standard ESCO agreement; selection of pilot projects, and so forth.*Municipal Buildings Fund:* Really important to show project examples to get organisations on board. Also, the Lithuanians said that thy like to make it look good so it is more expensive so the payback is longer. Schools, hospitals, kindergartens are good. Heritage buildings are far more of a challenge.Even though the ESCO take on the project, the ministry check that 30% savings and also EPC C or better is achieved. Also have to keep a close eye in case the ESCO goes bankrupt.*Investment platform for EE projects*Energy Efficiency Directive 27/2012 – energy distributors/companies to save 1.5% energy savings per year. They can do anything to do this and in any sector. Currently nothing in transport but this may come. Mainly focused on buildings and want to create partnerships between the energy companies and VIPA. So, suggested creating an investment platform for EE projects.The priority projects include, amongst others: public buildings; street lighting; renewable energy; MABs.VIPA would own the platform and have liability for it. This is going to be established this year.*Repayable assistance: innovative financial instruments*What’s the difference between a ‘loan’ and ‘repayable assistance’ (RA)? This is when no clear time limit is put on the repayment. Example of repayable assistance is ‘operations with an unpredictable outcome’.RA is a cross between grants and loans. RA is used when the building is not suitable for financing through an ESCO or loan.Eligible expenses include: construction works, energy efficiency measures, administration, preparation of energy audits etc.The repayment amount cannot be less than 30% but the amount repaid depends on the amount of energy saved. One repayment is made per year. The schedule of repayment can be changed but only every 3 years.Challenges: * Issue that cost savings were treated as net revenue. Luckily this is not now the case.
* State aid.
* Motivation especially when the audit recommends more than can be loaned. Can combine FI and RA to make sure there is more support.

Discussion also surrounded energy behaviours which is not included in these FIs. In Lithuania the energy companies are supposed to educate building owners.The beneficiary works out the savings and consumption. An EPC is also conducted before and after renovation by an independent company. *ELENA: facility managed by EBRD (technical assistance, standardised documentation process, legal base, challenges to overcome etc*)Aims to provide technical and legal support for projects. The consult team prepared a template of a standard ESCO contract and template procurement documentation, procurement documentation for pilot projects, and consultancy for pilot projects. Some changes had to be made along the way.There was a demand to renovate public buildings by 2020 so something needed to be done to support and activate this activity.Tender procedure: Implementation under PPP basis. Procurement via open tender procedure and public negotiations procedure. This can take some time – approx. 6 months for tender procedure.Best offer selection criteria: 80% on price and 20% on energy savings.Technical criteria: Reach at least EPC C; microclimate conditions ensured; proposed level of savings for heat and electricity must be ensured. Also, the plan must include the methodology and process for monitoring savings for heating and electricity. There should also be an installation and requirements monitoring system. The supplier is enabled to choose the most efficient and financially feasible measures.Energy saving: After implementation, the savings are monitored over the first 5 years. If the cumulative energy savings are higher or equal to those predicted then the liability for savings ends. If they don’t reach the savings each year then the ESCO has to compensate the difference in monthly fines.Decided not to put energy saving contracts in for the whole period e.g. 15 years. Some measures only last a few years and there is a level of unpredictability over a long period of time. During the pilot they realised that 20 years was too long for an overall contract so 15 years was agreed. This is most important for smaller projects.Lessons learned: Important to avoid confusion between competing products (e.g. ESCO/subsidy etc); ESCO model is new so not many people have confidence and knowledge; there is a need for technical assistance for building owners for preparing tenders; the ESCO model is a new FI and this is seen as much riskier to building owners rather than the simple procurement of construction works.*ESCOs: key partners to achieve an energy transition (Spanish ESCO market)*Key skills required by an ESCO include technical and project management skills as well as financial expertise; it is important to recognise that ESCOs are not banks. They need to understand the role of different technologies in energy saving and how these fit within different type of buildings. The technical and financial proposal is presented in a contract where the savings are guaranteed (Energy Performance Contract (EPC)). In Spain, 85% of ESCOs are SMEs. ESCOs provide qualified employment for about 8 years. The 3 main measures implemented are: heating systems (66%); control systems (71%); lighting (66%).The savings on average are: 35.9% energy; 42.3% emissions; 25.7% economic.There was discussion about the length of contract for the ESCOs – some shorter (less than a year) and some longer (15 years).Barriers include: lack of financing; complicated contracts; lack of knowledge of the modelESCO certification is required for: Measurement and verification protocol; energy managers; and sustainable buildings. Spain created an ESCO certification as some organisations were making false claims and confusing organisations. There are two levels of certification. The higher level includes real references.Work has been done on the tendering and procurement process by a wider array of stakeholders including municipalities and politicians. There is also a technology guide issued every 2 years covering the ESCO model, 22 technologies; and good practices (<http://www.anese.es/descargate-aqui-la-guia-de-anese-de-tecnologias-para-el-ahorro-y-la-eficiencia-energetica-2016/>) *Financial alternatives for Energy Efficiency*Must not only consider loans. Alternatives provide more flexibility. Large projects are easier to fund than small projects. 3 options are: FI Nord pas de Calais; Green Revolving Fund (for large projects. Done in USA); EuroPace.The 3 solutions integrated in one platform is a good idea and will provide confidence.*Nord pas de Calais:* funding through ordinary shares for renewables, circular economy and a range of other opportunities. An ESCO or SPV can be financed.*Green Revolving Fund:* Only for large projects. Harvard University have one (<https://green.harvard.edu/programs/green-revolving-fund>). The central organisation who oversees the Green Revolving Funds is the Billion Dollar Green Challenge (<http://greenbillion.org/>). *EuroPace:* A previous model was launched in California in 2008. Payment to the fund comes from local taxes so the local municipalities must be involved and clean off a separate fund from the council tax central budget. 100% up-front financing. Financing is attached to the property, not the homeowner. Each individual homeowner pays through their council tax and obviously need to agree to this. It is important to be clear that the council tax is a way of collecting payments, rather than an additional cost being applied to all residents in the area. There was discussion about interest rates for EuroPace compared to Green Deal in the UK.  |
| **Conclusions** | Please indicate if you may adopt this (these) good practice(s) to include in your action plan. If not, say why. |
| The following learnings will be used to inform (or be included in) the action plan:*Action A: Gloucestershire stakeholders will work in partnership to maximise efficiency and effectiveness of resources*, and *Action B: Resources are targeted at those most in need, require a positive public profile*. Following the presentation from Simona Ramanauskiene about promotion, communication and public awareness, she clearly explained a communications plan which included periods or high intensity and also a wide range of avenues. As a result, Gloucestershire will apply something similar in the action plan, particularly to target young people and also to develop a communications plan to support partnerships and promote referrals to the Warm & Well programme. If retrofit projects are included as part of *Action B:4 Pilot for Growth – A partnership project will be developed to focus on Oakely, Cheltenham and Matson, Gloucester,* then promotion, communication and public awareness plans will be developed for those areas. In addition, checking and monitoring plans (based on the checking and support programmes provided in Lithuania) will be implemented.*Action C: Gloucestershire will create an energy bank to provide a local cost energy tariff and education programme for people in fuel poverty* involves the establishment of a least one financial instrument. The learnings from Lithuania will inform the formation of the instrument and also the communication and promotion of the energy bank.*Action D* involves the *establishment of an Asset Managers Partnership from Registered Social Landlords*. It will be recommended that they follow a checking process similar to MAB programme when retrofit takes place. We are meeting with the new group on 30th January and will be making this recommendation.*Action E* links to *well-trained and skilled installers working within a framework that supports quality*. This directly links to the procurement procedures included within the MAB programme and the challenges that Lithuania has faced in terms of securing high quality construction companies. This learning has instigated plans in procurement and training for installers.

| **Additional information** | Please, mention relevant information attached as annexes as presentations, reports, etc. |
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Good practice fiches: * Innovation in Financial Instruments (FIs)
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Benchmarking fiche: * Innovation in Financial Instruments (FIs)
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Other: n/a |

| **Contact details to obtain further information on the bi-lateral meeting (receiving region)** |
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| **Contact name** | Victoria Boynton |
| **e-mail** | Victoriab2@severnwye.org.uk |
| **Organization** | Severn Wye Energy Agency |
| **Type of Organisation** | Regional not-for-profit energy agency |
| **Website** | www.severnwye.org.uk |
| **Fiche completed on date:** | 18/01/2018 |