

The "Improvement of Heat Insulation of Multi-Apartment Residential Buildings" Program

Latvia

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Latvia

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Introduction

The "Improvement of Heat Insulation of Multi-apartment Residential Buildings" program, funded and financed by the European Regional Development Fund (ERDF) started in Spring 2009. The aim of the program is to improve energy efficiency in multi-apartment residential buildings, ensuring the sustainability of housing stock and efficient utilization of energy resources.

The Republic of Latvia is a North European Baltic country of the European Union. The climate of Latvia can be described as typical of continental Europe, with warm summers and fairly severe winters. Winters have average daytime temperatures of -5°C, but in some cases winter months can be quite colder, with temperatures far below zero, about -20°C or lower.

The majority of the Latvian population lives in block-houses built more than 30 years ago. With high prices for energy and poor heat insulation, the program was seen as a way to improve energy efficiency for housing. Moreover, it was a chance to tackle the economic crisis by stimulating employment and local economic activity.

Quick facts

Donor	European Regional Development Fund
Project started	April 2009
Theme	Energy efficiency
Leading Agency	Ministry of Economics

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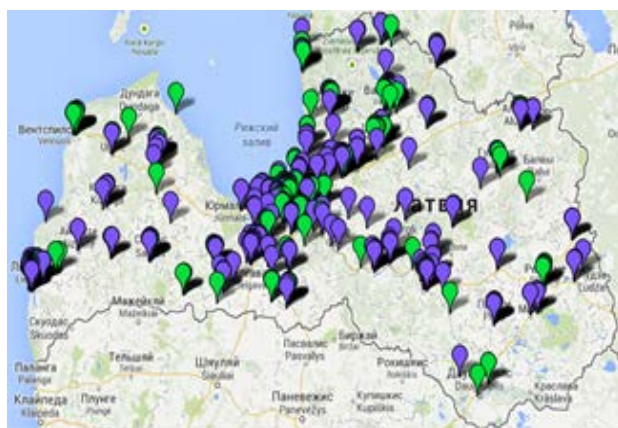
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Program

In April 2009, the Improvement of Heat Insulation of Multi-apartment Residential Buildings Program was opened for applications. The Cabinet of Ministers took the decision to allocate for this program roughly EUR 68 million, however applicant interest was very low, as the applying procedure was complicated and the level of bureaucracy very high.

Map of Implemented and submitted projects



The Ministry of Economics decided to act by simplifying the program and the application procedure, thus reducing bureaucracy and widening the scope of potential beneficiaries. The key steps taken to boost interest were:

- The introduction of a simplified energy audit method, tailored for standard multi-apartment buildings – where average annual heat consumption in the previous three years exceeded 180 kWh/m².
- Widening the scope of potential beneficiaries by making older buildings eligible or increasing the maximum amount of co-financing so that bigger houses (12 and 16-floor buildings) also become eligible for funding.
- Extending the categories of eligible costs, including price quotations for heat insulation work.

- Reducing the required number of flat owners within a building agreeing to renovation work (previously at least 75 percent consent was necessary, which was then reduced to 50 percent +1).
- Reducing the level of required documentation necessary.
- Reducing the compliance threshold – previously, it was difficult for multi-apartment buildings located in more economically developed municipalities with smaller amount of flats (i.e. 8-12) to apply as they would not comply with the initial quality assessment requirements.
- Finally, in order to inform people about the program and encourage housing insulation in Latvia, the Ministry of Economics launched the campaign "Let's live warmer!"

Outcomes

The program has allowed residents to reduce their heating bill by 40%. The European Regional Development Fund covers 50 percent of the costs and flat owners have to cover the other 50 percent (usually via bank loans or where possible via a mix of savings and bank loan). If at least 10 percent of the residents in a particular multi-apartment building are registered as low-income or poor people, then eligible co-financing from the ERDF increases to 60 percent. Moreover, the idea was that monthly payments for residents would not increase, i.e. the combined lower costs for district heating added to the bank loan and interest should equal or be lower than what was paid previously. The payback period is usually 10-12 years.

The actual number of contracts by the end of 2013, including both projects completed and in progress, was more than 500.

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Number of projects submitted from 2009 to 2013 by region:

	2009	2010	2011	2012	2013	Total
Kurzeme	27	62	125	104	83	401
Vidzeme	41	30	96	105	42	314
Riga region	21	26	97	105	58	307
Zemgale	10	28	97	61	33	229
Riga	13	17	40	39	23	132
Latgale	5	7	15	21	9	57
Total	117	170	470	435	248	1440

Projects completed over past 5 years by region:

	2010	2011	2012	2013	2014	Total
Kurzeme	4	13	24	44	12	97
Vidzeme	2	8	24	43	15	92
Riga region	4	11	22	37	13	87
Zemgale	1	3	7	29	5	45
Riga	3	5	5	12	0	25
Latgale	0	2	5	8	1	16
Total	14	42	87	173	16	362

References

The following documents informed the development of this paper:

Ministry of Economics
<http://www.em.gov.lv>

Photos, press clippings, video material

<http://www.twitter.com/siltinam>

<http://www.youtube.com/siltinam>

<http://vimeo.com/dzivosiltak>

<http://www.slideshare.net/siltinam>

<http://www.facebook.com/dzivosiltak>