



Financial Instruments for the low-carbon economy  
Brussels, 20 June 2019

# Latvian Baltic Energy Efficiency Facility (LABEEF)

Nicholas Stancioff  
Funding for Future B.V.



Interreg  
Europe



European Union | European Regional Development Fund

H2020 project "Financing scheme for Energy Efficiency and Renewable energy Guaranteed in Deep renovations of building stock" (**FinEERGo-Dom**)

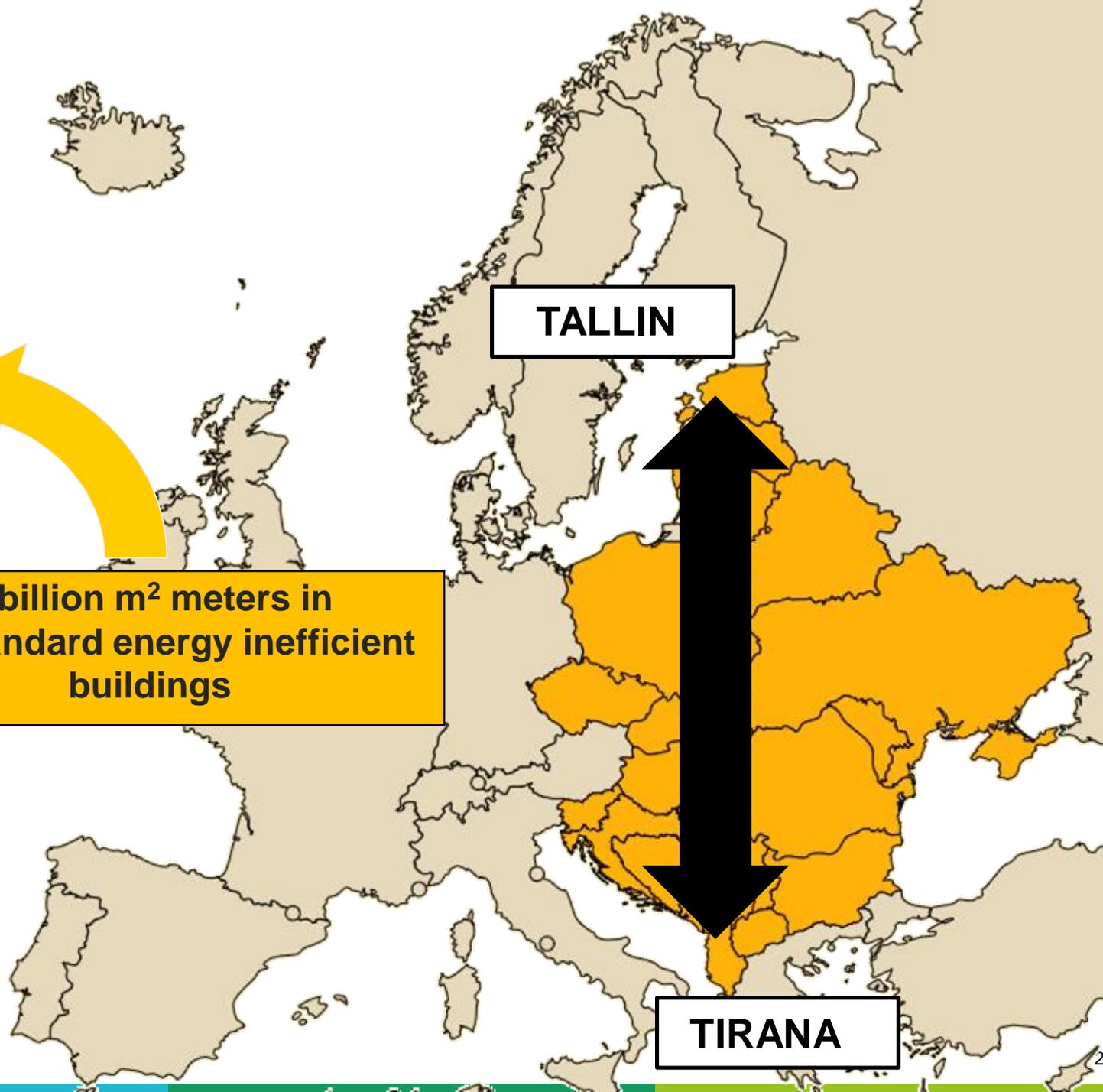
# WHY?

To renovate 25%,  
€180 billion euro must be found

3 billion m<sup>2</sup> meters in  
substandard energy inefficient  
buildings

TALLIN

TIRANA





# WHY?

Complex renovation financed by energy savings **GUARANTEES:**

**safe,**  
**healthy,**  
**affordable,**  
**comfortable,**

housing to millions of households  
improve public buildings

heating bill

50%

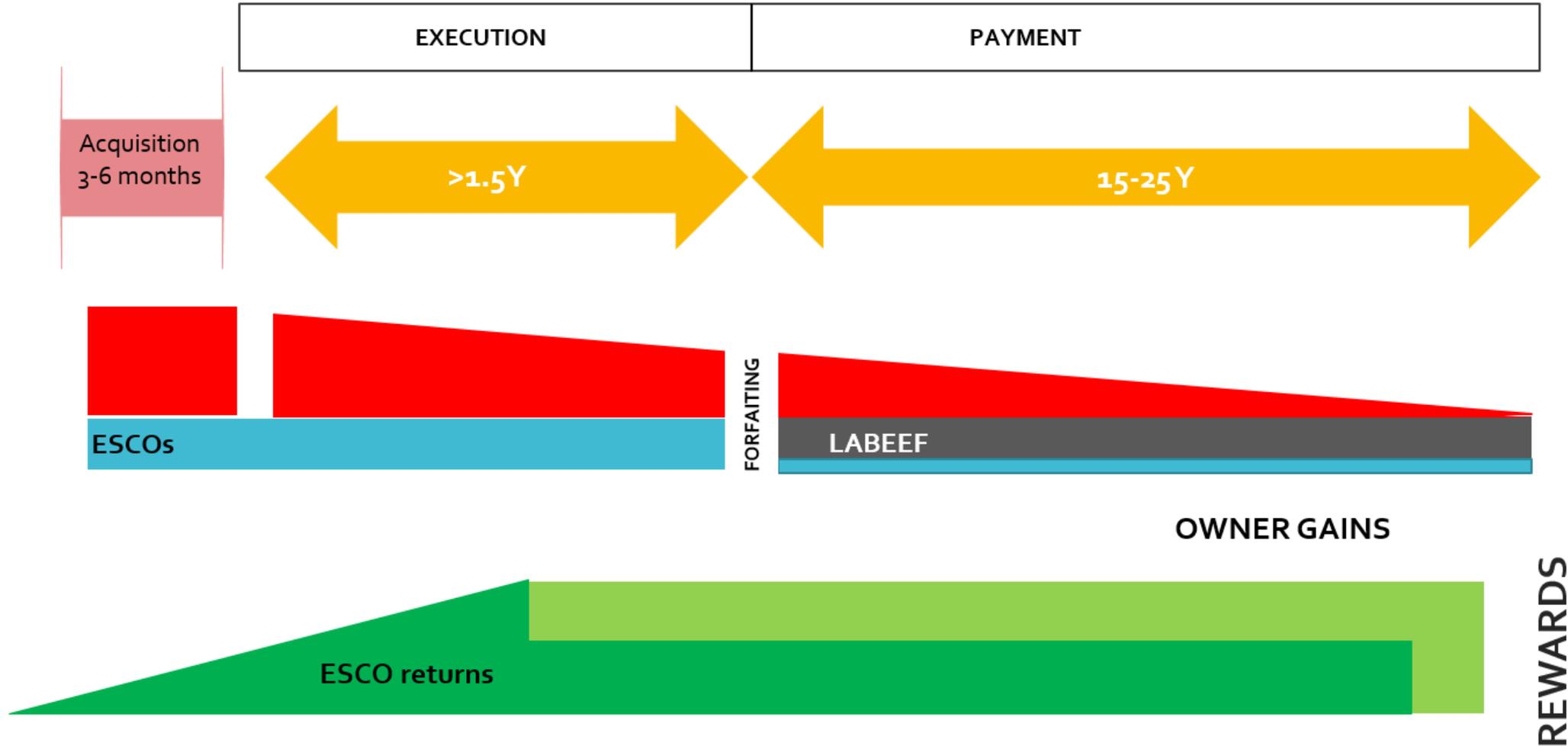
21.5 million  
tons CO<sub>2</sub>



Estonia's  
current emissions  
per year

# The concept: allocating risk and aligning interests

- LABEEF sells performance, safety, health and comfort targets and buys low risk





# What expertise do we need?

**Operational**

**Financial**

**Technological**

**Executive**

# LABEEF WAY



## 2012 – 2015

- Based on Renesco and own failures at EBRD '96-98
- Fund proposal to EBRD
- MoE, Latvian Guarantee Agency (LGA), EBRD meeting on energy efficiency projects
- EBRD provides term sheet to LGA
- KPMG London initiates technical Due Diligence (15 buildings renovated in Latvia using EPC). Owners get 30% better value. Building life extended by 30Y, energy saving >50%
- Government sets aside €10M matching EBRD's proposed term sheet
- EBRD proposes to go forward. Invite ALTUM (of which LGA is now part) to participate
- 03/15 start of SUNShINE project

## 2016 – 2018

- LABEEF established
- Seminar with key stakeholders, ESCOs, banks
- 2nd term sheet with EBRD
- 06/16 LABEEF guidelines approved
- ALTUM €160M program approved
- 12/16 approved EBRD financing, total deal €7.4 M
- Later ALTUM program open to ESCO
- EBRD business forum in Riga
- First version of the EPC contract (residential buildings)
- 12/18 framework agreement ESCO ALTUM
- 04/17 start of Accelerate SUNShINE project
- EBRD disbursement
- 09/18 LABEEF 1st transaction
- Forfeited first of 15 building portfolio



# Challenges' encountered

- Government policy discourages EPC
- Barriers still in place for public or private
- Project and Procurement Guidelines not published
- Private capital in EE in public or private buildings: impossible
- Existing and new private sector financial instruments are not supported
- Regs don't allow local governments- long-term commitments





# How has LABEEF been successful?

- EPC for multi-family buildings in Latvia
- Guidelines and Eurostat for public EPC
- Commitment to invest €10M
- Recommended EIB solution
- 9 buildings forfeited in June
- best practice example chosen by MoE of Germany
- IT platform 'Sharex' allows standardized online process
- 01/2019 in FLA





# Is there potential?

## H2020 project FinEERGo-Dom (started in 1 June 2019):

- **PL, AT, SK, RO and BG** will replicate the financing scheme, systems and procedures developed for private and public sectors under LABEEF
- Potential of replication also in **MK, UA, GE** and other parts of East



# Thank you!

**Nicholas Stancioff**  
Funding for Furure B.V.  
nicholas@stancioff.com



**Interreg  
Europe**



European Union | European Regional Development Fund



# What skills do we need?

<b>CEO</b> <b>Nicholas Stancioff</b>	<ul style="list-style-type: none"><li>•<b>CEO at Housing and Energy Conservation Bureau (2012)</b></li><li>•<b>CEO ICPD Intercapital Property Development Company (2004-2012)</b></li><li>•<b>Principal Banker/Deputy representative EBRD (1993-1998)</b></li><li>•<b>MBA, Darden School of Business, University of Virginia</b></li></ul>
Operations Gunta Cekule	<ul style="list-style-type: none"><li>•Head of Corporate Product Development and Sales Support at Citadele banka (2009-2016)</li><li>•Head of Sales Support Division and Head of Product Development, Project Manager at Swedbank (2002-09)</li><li>•Master's Economics Latvia University, Economics Banking Institute</li></ul>
Technology Claudio Rochas	<ul style="list-style-type: none"><li>•CEO at RenEsco (2014)</li><li>•CEO at Ekodoma (2006)</li><li>•Professor at Riga Technical University</li><li>•Master's degree from Polytechnic Institute of Turin (oil and gas engineering)</li><li>•PhD (energy efficiency and renewable energy sources) from Riga Technical University</li></ul>
Finance Harijs Švarcs	<ul style="list-style-type: none"><li>•Founding Partner at SG Capital Capital AIFP</li><li>•CEO Swedbank Investment Management Latvia (2007-2015)</li><li>•Portfolio manager, analyst, economist at Central Bank of Latvia (1999-2007)</li><li>•MSc in Finance and Economics at Cass Business School, City University (London)</li><li>•CFA Charterholder</li></ul>