



EXECUTIVE SUMMARY



August 2023



www.roundbaltic.eu



[Twitter.com/roundbaltic](https://twitter.com/roundbaltic)



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 967051.



Content

- 1 Background and Objectives 3
- 2 Promoting a Supportive Framework..... 5
- 3 Organisational Support Framework..... 6
- 4 Roundtables for stakeholder interaction..... 6
- 5 Enabling actions and their impact 7
- 6 Sustaining structures 9
- 7 LINKS 10



Disclaimer	<i>Responsibility for the information and views laid out in this document lies entirely with the authors. The European Commission is not responsible for any use that may be made of the information it contains.</i>
-------------------	---



1 BACKGROUND AND OBJECTIVES

Europe faces a pressing challenge in implementing sustainable development policies, exemplified by the ambitious European Green Deal's goal to achieve climate neutrality by 2050. Addressing this challenge requires substantial financial resources, leading to the launch of initiatives such as Smart Finance for Smart Buildings, operating through pillars such as better fund utilisation, project support and risk mitigation.

The EU Commission established Sustainable Energy Investment Forums (SEI Forums) to mobilise stakeholders and drive sustainable energy investments. Similarly, RoundBaltic's follow-up on SEI Forums targets the Baltic Sea Region, aiming to accelerate sustainable energy finance momentum. Through national and regional roundtables, stakeholders have discussed challenges and solutions, focussing on creating an investment-friendly framework with aligned finance instruments.

RoundBaltic employs a multifaceted approach, including stakeholder engagement, enabling actions and evaluation activities to promote dialogue and collaboration while disseminating outcomes. Ultimately, RoundBaltic seeks to establish lasting structures that support energy efficiency investments, thereby contributing to broader sustainability goals.

RoundBaltic has adopted a **strategic approach** aimed at establishing effective dialogue between actors in the financial and energy efficiency sectors to drive momentum for energy efficiency finance, particularly in target countries Poland, Latvia and Denmark.

This **approach** comprises these key steps:

1. Analysis of needs and opportunities (diagnosis)

Initial analysis is essential to understanding energy efficiency finance conditions to provide the best possible basis for designing events that are inspiring and productive in terms of stimulating the desired changes in each target country. This builds on country analyses and outcomes from previous SEI Forum Roundtables.

2. Intervention/engagement strategy

The analysis of the national situation will form the basis for optimal design of event agendas, with a view towards fulfilling project objectives. The intent is to agree on an overall framework for the design of event(s) at an early stage in each target country – Poland, Latvia and Denmark – including key aspects as to how the events can help bridge the energy efficiency and financial sectors, and involve key stakeholders effectively in this process.



3. Roundtables for ideas and recommendations

Roundtables are organised based on strategy and implementation plans, with tailored agendas to meet RoundBaltic's objectives and regional needs. Stakeholder involvement occurs via personal invitations to ensure qualified discussions. Discussions follow Chatham House rules to encourage open dialogue and stakeholder buy-in. Recommendations encompass regulatory/incentive actions and direct interventions while ensuring clarity in follow-up actions.

4. Follow-up with enabling actions

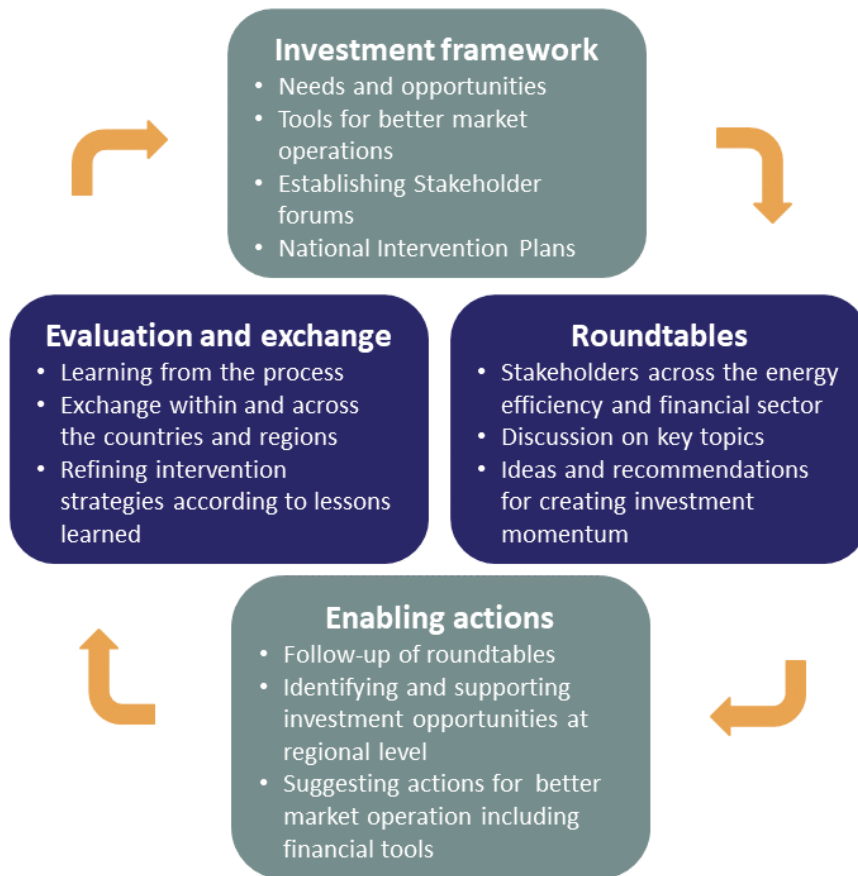
The roundtables' ideas and recommendations are translated into practical strategies for holistic policy implementation. Strengthening national and regional/local linkages is a key focus, utilising RoundBaltic's national and regional roundtables. Coordinated efforts at the national level identify areas in need of improvement in national policy frameworks, with actions detailed on national roadmaps. Finance instruments tailored to energy efficiency project complexities are identified through RoundBaltic while addressing investment gaps and enabling access to investments.

5. Evaluating outputs and impacts

Project activities are evaluated to assess roundtable progress and efforts to improve the energy efficiency finance framework. Evaluations focus on achieving impact indicators and gaining qualitative and quantitative insights into performed actions.

6. Refinement of intervention strategies

RoundBaltic adopts a cyclical approach, refining intervention strategies based on evaluation outcomes to strengthen project efforts. The organisational focus entails improving structures to accelerate energy efficiency finance, with an eye towards permanent structures for an effective enabling framework.



2 PROMOTING A SUPPORTIVE FRAMEWORK

RoundBaltic focusses on promoting a supportive framework to facilitate sustainable energy investments in Poland, Latvia and Denmark. This focus addresses several key aspects, including establishing a sustainable energy investment framework, financial instruments, and energy efficiency finance initiatives, as well as engaging the financial sector and building capacities in sustainable energy finance:

1. **Investment Framework:** Establishing this entails analysing and evaluating conditions for cultivating an investment-friendly environment, including legal and policy aspects; understanding financial and energy efficiency sectors; and identifying challenges. This evaluation also encompasses the status of energy efficiency finance instruments and the potential for private capital involvement.
2. **Energy Efficiency Market:** Establishing this entails assessing current market development and finance initiatives and implementation strategies, such as energy performance contracts (EPCs) and one-stop shops (OSS). It also examines ways to incentivise financial sector engagement, providing examples of how banks and financiers can be encouraged to participate.



3. Capacity Building in Sustainable Energy Finance: Establishing this entails evaluating capacity-building requirements in the energy efficiency sector and identifying stakeholders' key needs and potential project support. Cities and city networks' role in driving investments also must be considered, e.g., through initiatives such as the Covenant of Mayors.

3 ORGANISATIONAL SUPPORT FRAMEWORK

The RoundBaltic project implemented an organisational framework to promote an investor-friendly energy efficiency market and launch targeted initiatives in Poland, Latvia and Denmark.

Advisory boards played a vital role, gathering stakeholders from national and regional levels, including finance institutions, to provide guidance and integrate international best practices.

Policy support focussed on optimising EU regulations and national policies to favour sustainable energy finance, influencing directives such as the EED and EPBD. Moreover, RoundBaltic aimed to improve finance instruments and implementation concepts by optimising EU and national funds, and involving financial institutions in energy efficiency project finance.

4 ROUNDTABLES FOR STAKEHOLDER INTERACTION

The Roundtables for Stakeholder Interaction were foundational pillars in the RoundBaltic initiative, in which stakeholders from the financial and energy efficiency sectors convened to advance sustainable energy finance. These gatherings – conducted at national and regional levels across Poland, Latvia and Denmark – aimed to bridge the gap between the energy and financial sectors, identify opportunities and foster collaboration. A comprehensive guideline ensured structured planning and alignment with project objectives, facilitating focussed discussions on improving investment frameworks, initiating projects and examining finance mechanisms.

The roundtables yielded significant outcomes. First, they advanced enabling policies, aligning national strategies with European directives such as the EU Directives EED and EPBD and Long-Term Renovation Strategies. Moreover, they initiated specific investment projects tailored to each country's needs, leveraging EU and national funds to optimise energy efficiency improvements in residential, commercial and public buildings. Furthermore, they facilitated development of tailored financial tools and mechanisms to streamline finance processes and attract private capital.

Beyond tangible outcomes, the roundtables facilitated capacity building and skill development among stakeholders. By providing a platform for knowledge exchange and collaboration, they empowered stakeholders to navigate the complexities of



sustainable energy finance more effectively. Overall, the roundtables played a crucial role in driving solid advancements in sustainable energy finance, paving the way for a more vibrant and sustainable energy future in the Baltic Sea Region.

5 ENABLING ACTIONS AND THEIR IMPACT

RoundBaltic conducted three national and two regional roundtables per target country (33 in total), engaging over 2,000 stakeholders, including one-fifth from the financial sector. These sessions, complemented by bilateral consultations, generated ideas and recommendations that facilitated interactions between national and local levels. The financial sector, closely involved in the project, increased its capacity to support the green transition. Impact assessment revealed a significant trigger for sustainable energy investments, surpassing the initial target by stimulating investments totalling MEUR **1,618**.

Building on the dialogue initiated by SEI Forums, RoundBaltic expanded stakeholder engagement, creating productive discussions at national and regional levels. This facilitated creation of momentum for concrete actions and support measures, including financial concepts. Regional roundtables within RoundBaltic played a pivotal role in various energy efficiency initiatives. They aggregated investment projects, formulated implementation roadmaps and identified necessary policy and financial support measures at the national level. Furthermore, regions facilitated cross-municipal collaborations in local climate and energy planning efforts.

Poland

Horizontal Aspects: RoundBaltic facilitated dialogue between private and public entities, contributing to Polish policies, including Long-Term Renovation Strategy 2050, with specific input on financing energy efficiency measures.

Consultations also were conducted on domestic and EU support schemes, such as the EPC+ pilot programme and EU Regional Financing Instruments, expanding the energy efficiency finance dimension.

Public Buildings: Efforts were directed towards supporting Polish communes in implementing energy efficiency measures, including motivating banks to engage in energy renovations and interact with national tools and subsidies.

Key actions included creation of an ELENA assistance component for communes and the development of finance instruments based on EU and private funds, including ESCO based on EPCs.

Home Renovations: The focus was on increasing support for owners of single-family and multi-family homes, with initiatives to establish OSS to support energy efficiency project development.



Actions included extending support for multi-family homes through increased subsidies for loans and grants for renewable energy sources, leading to a significant increase in applications.

SME and Industry Sector: Efforts entailed improving access to the national white certificate scheme and enhancing the use of public funds, including legal improvements to the Energy Efficiency Law.

RoundBaltic fostered an ELENA project to generate investments in cooperation with the European Investment Bank.

Latvia

Horizontal Aspects: RoundBaltic's intervention aligned with key national stakeholders and mobilised efforts at the regional/local level, particularly in the Kurzeme and Vidzeme regions.

Regular Advisory Board meetings served as coordination platforms for improving the investment framework and energy efficiency actions.

Private Homes, Multi-apartment Buildings and the SME Sector: Key actions focussed on promoting a unified approach and clear rules to provide better access for the financial sector, such as supporting ESCO development and increasing the use of private capital.

Development of OSS on municipal levels aimed to promote a sustainable long-term approach to energy efficiency projects, with structured approaches outlined on roadmaps.

Denmark

Horizontal Aspects: RoundBaltic facilitated stakeholder dialogue within private homes, social housing and SMEs, establishing close cooperation with the financial sector regarding financial initiatives and instruments.

RoundBaltic helped establish municipal-anchored OSS and promoted a more investment-friendly framework, facilitating discussions across sectors to meet CO2 reduction goals.

Municipal OSS were introduced to simplify energy renovations and conversions to district heating, as well as implement holistic green business models in SMEs.

Private Homes, Including the Thermonet Concept: Efforts were focussed on improving finance conditions for green heating and energy renovation of private homes, promoting the Thermonet concept as an alternative heating method.

Collaborations with key players and promotion of better finance conditions, including green loans, were highlighted.



Social Housing Sector: The intervention aimed to introduce innovative ways of implementing and financing green investments in the social housing sector, including integration of ESCO solutions and engagement with guaranteed schemes.

SME Sector: RoundBaltic promoted standardisation of approaches to finance holistic green business models in the SME sector, emphasising coordination, standardisation of resource sharing, taxonomy and guarantee schemes.

6 SUSTAINING STRUCTURES

In **Poland**, the effort to sustain structures for energy efficiency finance has been multifaceted, involving collaboration between various public and non-public entities. Public institutions such as the Ministries of Climate and Environment, Development and Technology, and Funds and Regional Policy have played crucial roles in managing funds and implementing energy efficiency programmes. Furthermore, central financial institutions, such as the National Fund for Environmental Protection and Bank Gospodarstwa Krajowego, have been instrumental in providing financial support and facilitating initiatives in this domain.

The engagement of entities such as the European Investment Bank (EIB) and State Institute for the Development of Cities and Regions has enriched the support ecosystem further by providing expertise and resources. On the non-public side, associations such as the Polish Bank Association and SAPE Association have represented financial interests and facilitated cooperation among stakeholders. These collaborative efforts aimed to streamline energy efficiency finance mechanisms and enhance accessibility of funding for relevant projects.

In **Latvia**, the concluding stage of RoundBaltic has focussed on devising strategies to sustain the discussion platform established throughout the project. Several members of the Advisory Board have demonstrated proactive engagement, expressing interest in maintaining momentum and facilitating ongoing online meeting discussions on relevant topics.

Furthermore, discussions have revolved around establishing a national sustainable energy efficiency competence centre to coordinate efforts and provide support to enterprises, financial institutions and implementers. Although creation of such a centre has been debated for some time, progress has been made towards setting up OSS to help multifamily building apartment owners and SMEs implement energy efficiency measures. Collaboration between the Vidzeme planning region and institutions such as the State Construction Control Bureau and ALTUM underscores ongoing efforts to formalise structures for sustained support.

Denmark has focussed on regulatory aspects and establishing future national structures to sustain energy efficiency efforts, which have included advocating for a 'national ELENA' programme to complement existing subsidy schemes. This was



done through a direct dialogue with the European Investment Bank. Creation of a national hub for energy efficiency has been explored through close dialogue between the Danish Energy Agency and Danish Ministry for Climate and Energy.

Bottom-up initiatives emerging from the regions aimed to aid implementation of local sustainable strategic climate and energy plans, demonstrating a coordinated approach at the national and regional levels to integrate energy efficiency finance efforts and drive implementation. Furthermore, an emphasis on sectors such as private housing, social housing and SMEs highlights a comprehensive approach to addressing stakeholders' diverse needs.

In conclusion, RoundBaltic's intervention has accelerated momentum for energy efficiency finance in Poland, Latvia and Denmark significantly. By engaging stakeholders and initiating specific investments, the project not only has enhanced the investment framework, but also has laid the groundwork for sustainable support structures involving all relevant stakeholders. The project's outcomes serve as a valuable resource for shaping future energy efficiency finance structures, including contributions to initiatives such as the EU Energy Efficiency Financing Coalition.

7 LINKS

WEBSITE

<https://roundbaltic.eu/>

EVENTS

<https://roundbaltic.eu/news-and-events/events/>

LEARNING EVENTS

<https://roundbaltic.eu/news-and-events/learning-events/>

CASE STUDIES

<https://roundbaltic.eu/publications/case-studies/>

NEWS BULLETINS

<https://roundbaltic.eu/newsbulletins/>

ARTICLES

<https://roundbaltic.eu/news-and-events/articles/>

PRESS RELEASES

<https://roundbaltic.eu/press-releases/>