**Programme**
INTERREG Baltic Sea Region

**Deadline** 4th April 2018
**Working title**
Improving regional policy instruments to increase the number of implemented energy efficiency measures in the industrial SME sector
**Objective**
To increase energy efficiency based on enhanced capacity of public and private actors involved in energy planning
**Key focus**
Developing and testing incentive policies to implement retrofitting of commercial properties

**Why to address this issue?**
Energy efficiency improvements will reduce CO2 emissions, and ease EU´s annual €350 billion energy import bill.
**Incentive factor**
The Member of European Parliaments want to set a binding target to reduce energy consumption across the EU by 35% by 2030.
**What the consortium plans to do?**
Test/Pilot policy-binding legislation targets to improve energy efficiency in industrial SME sector in the Baltics
**Specific focus?**
One important area for improvement is the heating and cooling of buildings, which accounts for 40% of all the energy consumed in the EU. About 75% of them are energy inefficient. We will also focus on process specific energy efficiency improvements.
**How?**
Study current good energy efficiency incentive practices applied in the industrial SME sector.
Pilot incentive policy measures defined by participating partners like financial subsidy to improve energy efficiency of industrial SME sector.
Mapping if consortium members/non-members achieved energy efficiency improvement in the industrial SME sector yet.
**Output**
Communication of partners to the INTERREG Baltic programme area about the results of the project. Specifically, how the public, and the industry received piloting-binding targets for energy efficiency. Good strategies how to support the renovation of industrial SMEs by motivating this sector to implement energy efficiency measures.

**Proposed activities**
By using energy more efficiently, the Baltic region can indirectly lower their energy demand by reducing the national reliance on external suppliers of natural oil and gas, and help protect the environment. In order to reduce carbon emission by 20% in 2020, improved energy efficiency (EE) has to happen in all of the sectors and stages. The project partners address policy instruments to make a positive change in the transition to the low-carbon economy, specifically energy efficiency policies and investments made in EE measures by industrial SMEs (commercial properties).
One obstacle to overcome is the poor energy regulation and policy control of the industrial SME sector in the regions. In addition, it is notable that some of the most promising national energy efficiency networks involving the industrial SME sectors also did not reach their goals.

Additionally, it is a challenge to involve SMEs taking energy saving measures to achieve energy transition due to lack of motivating policy measures.

**Therefore, sub-objectives:**
1. Investigate and identify why the current policy instruments in the regions underperform in industrial SME sector and suggest areas for improvements.
2. Identify policy measures to involve SMEs more effectively in energy improvement measures and programs by 2020.
3. Provide financial policy support for the industrial SME sector investing into energy efficiency measures under regional or Structural Fund programme by 2020.
4. Implementation of energy certification system for industrial SMEs by 2020.
5. Increase the number of jobs created due to the policy implementation requirements.
6. what non-energy-benefits arise from energy efficiency policy program activities.

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