

# FINANCING ENERGY EFFICIENCY

Christoph Lassenberger  
European Investment Bank

# The EIB: the EU bank



- ▶ Shareholders: 28 EU Member States
- ▶ EIB Group: EIB + EIF
- ▶ EIB Group financing in 2018: EUR 64.2 bn, supporting total investments of EUR 230 bn
- ▶ Around 90% of lending is within the EU

**Investing in  
Europe's growth**

# The EIB and climate action I/II

- The EIB is the largest multilateral provider of climate finance worldwide
- The EIB commits at least 25% of its investments to climate change mitigation and adaptation, supporting low-carbon and climate-resilient growth.
- The EIB Climate Strategy defines the Bank's mission: to play a leading role in mobilising the finance needed to achieve the worldwide commitment to keep global warming below 2°C.
- Between 2013 and 2018, EIB lending to RE and EE totaled EUR 28.3m and EUR 18.9m.



# The EIB and climate action II/II



## Climate change mitigation

**Climate change adaptation**  
€ 1.1 bn



Research, development and innovation

€ 1.1 bn



Energy efficiency

€ 2.7 bn



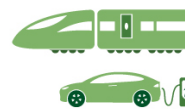
Renewable energy

€ 4.1 bn



Lower carbon transport

€ 6.0 bn



Other climate change mitigation

€ 1.2 bn

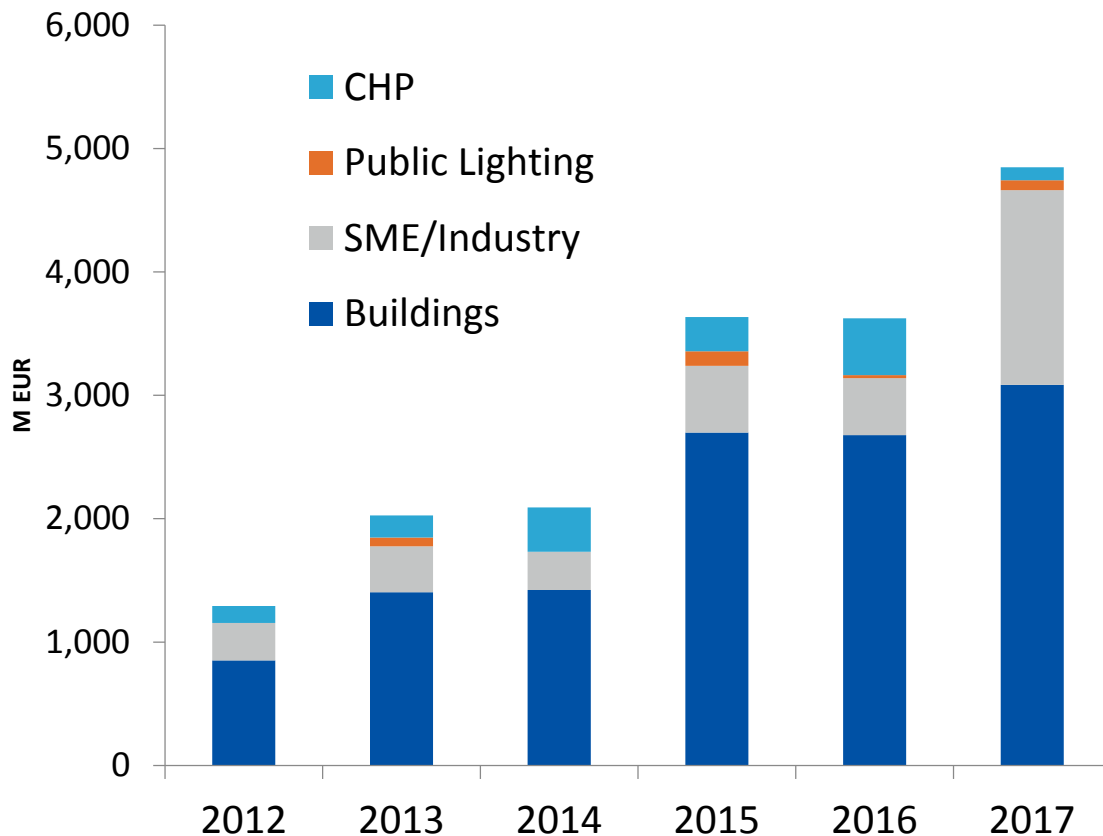


**€ 16.2 billion** Climate Action investments

data refer to EIB investment in 2018

# The EIB and energy efficiency lending

## EE Lending Breakdown per year



- Overall EE lending volumes increased by nearly 4 times since 2012
- 70% of EE lending volume is used for buildings

# Barriers to delivering energy efficiency

Fragmentation of projects

Capacity of beneficiaries to define and implement projects

High transaction costs

New area of lending for banks

Split incentives



# The products of the EIB

LENDING	BLENDING	ADVISING
<p>Loans:</p> <ul style="list-style-type: none"><li>• investment loans</li><li>• intermediated loans (e.g. PF4EE)</li></ul> <p>Guarantees</p> <p>Equity participation</p>	<p>Combining EIB finance with EU budget</p> <p>Investing EU funds as financial instruments (e.g. SFSB)</p> <p>Higher risk projects for innovation (i.e. through EU InnovFin initiative)</p>	<p>Prepare, evaluate and support the implementation of projects (e.g. ELENA)</p> <p>Support for public/private partnerships</p>

Attracting funding for long-term growth

# Example – financial instruments in Sardinia for EE/RE in urban development (“JESSICA” initiative)

- Financial instruments (FIs) are an innovative way of efficiently and effectively employing EU and other public funds in a rotating manner; the use of “non-grant” instruments also creates strong incentives for successful project implementation.
- Under the JESSICA initiative, the EIB has established a highly successful financial instrument on behalf of the Region of Sardinia, generating almost EUR 200m of investments in EE/RE and sustainable urban development.

## JESSICA in Sardinia

EURm **81**

EU Funds  
contributed

EURm **197**

Total  
investment  
volumes

**2,4x**

Leverage effect  
of EU Funds

**43**

projects  
financed



REGIONE AUTONOMA  
DELLA SARDEGNA

## A JESSICA loan for energy efficient transport in Cagliari

Purchase of 12 modern trolley buses by CTM, the local transport company of Cagliari (Sardinia)

**Project cost:** EUR 8.7m

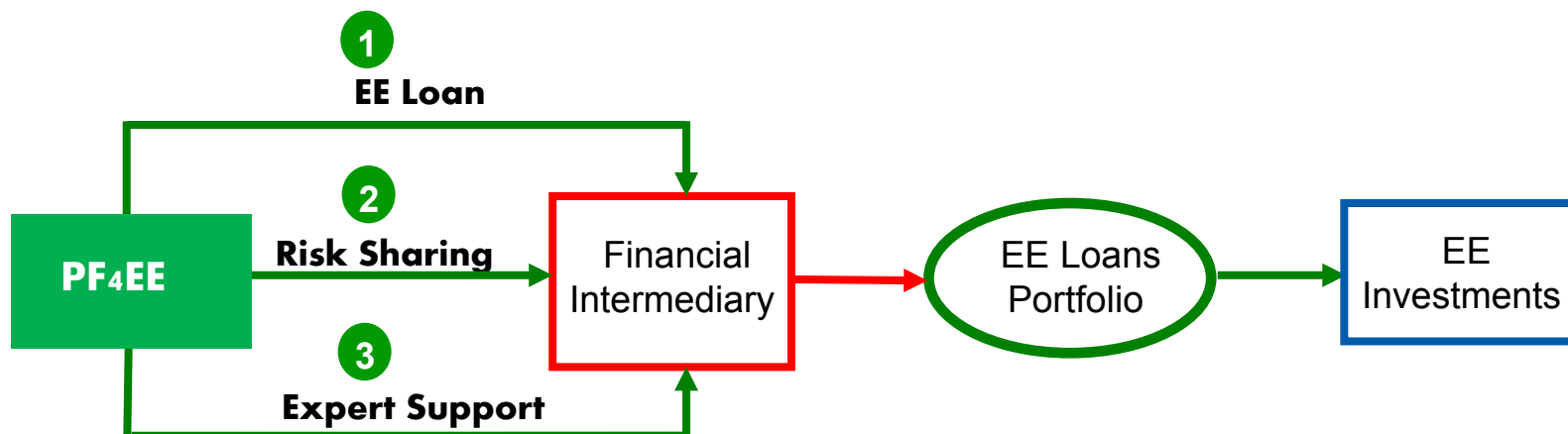
**JESSICA loan:** EUR 6.8m

**Expected benefits:** Replacement of obsolete and inefficient vehicles with a modern fleet of last generation trolley buses.





# Example – Private Finance for EE (“PF4EE”)



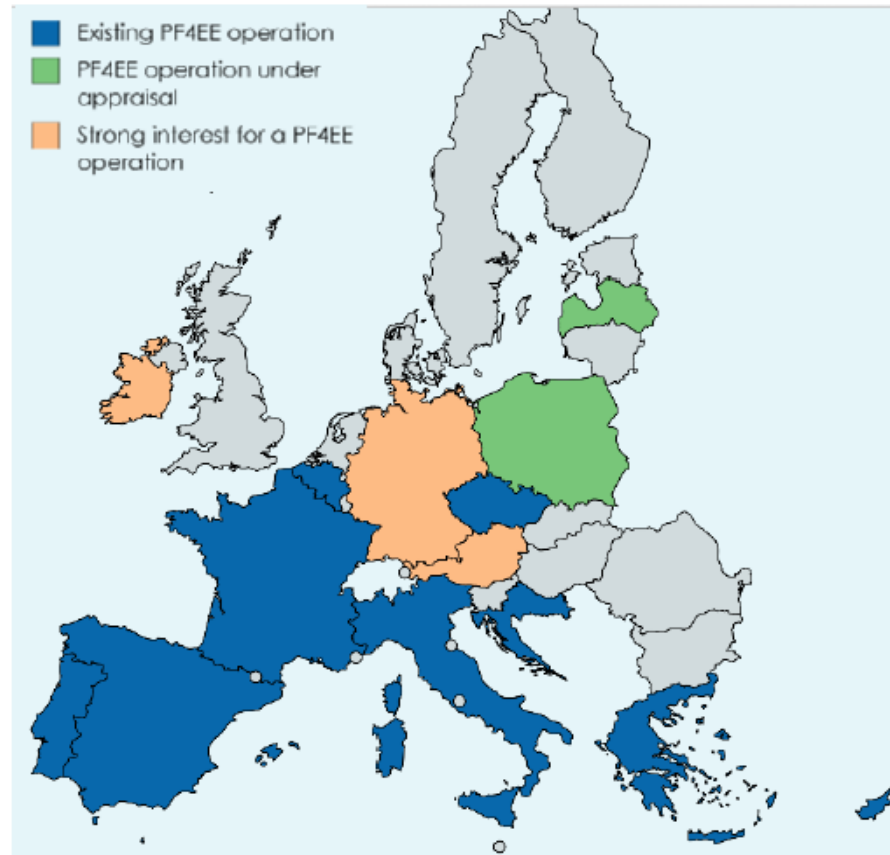
A joint EC-EIB initiative based on three components:

1. A loan to the financial intermediary to be on-lent for financing of energy efficiency investments (“EE Loan”)
2. A risk mitigation mechanism, which covers losses incurred in the portfolio of EE loans granted by the financial intermediary to on-lend the EE Loan (“Risk Sharing Facility”)
3. Consultancy services aiming at supporting the financial intermediary to create the abovementioned EE loans portfolio (“Expert Support Facility”)

So far nine operations signed, e.g. with BPER (Italy), Santander (Spain), BPI (Portugal), Belfius (Belgium), Zagrebačka Banka (Croatia), Crédit Coopératif (France), Piraeus Bank and Hellenic Bank (Greece), Komerční Banka (Czech Republic).

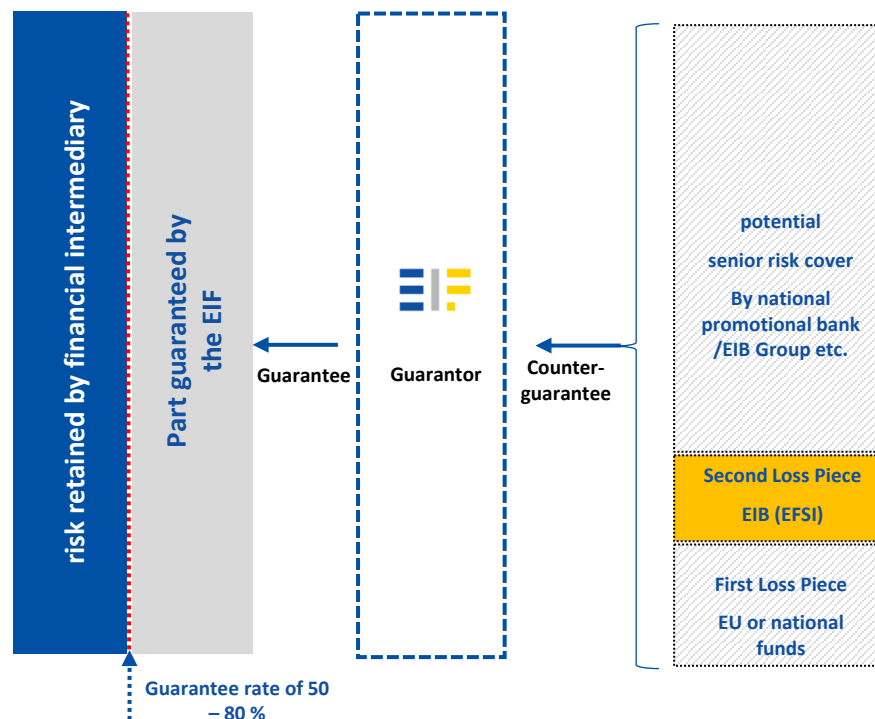
# Example – Private Finance for EE (“PF4EE”)

PF4EE State of play map



# Example – guarantees under the Smart Finance for Smart Buildings initiative (“SFSB”)

- The SFSB instrument targets EE/RE investments in buildings
- It is a guarantee instrument on a regional or national level that is based on contributions from EU funds or other public funds in the form of a first loss coverage (first loss piece).
- The instrument can be combined with technical assistance measures and grants.
- The EIB Group, through ELENA resources allocated by the EC, supports the guarantee instrument with targeted technical assistance interventions.

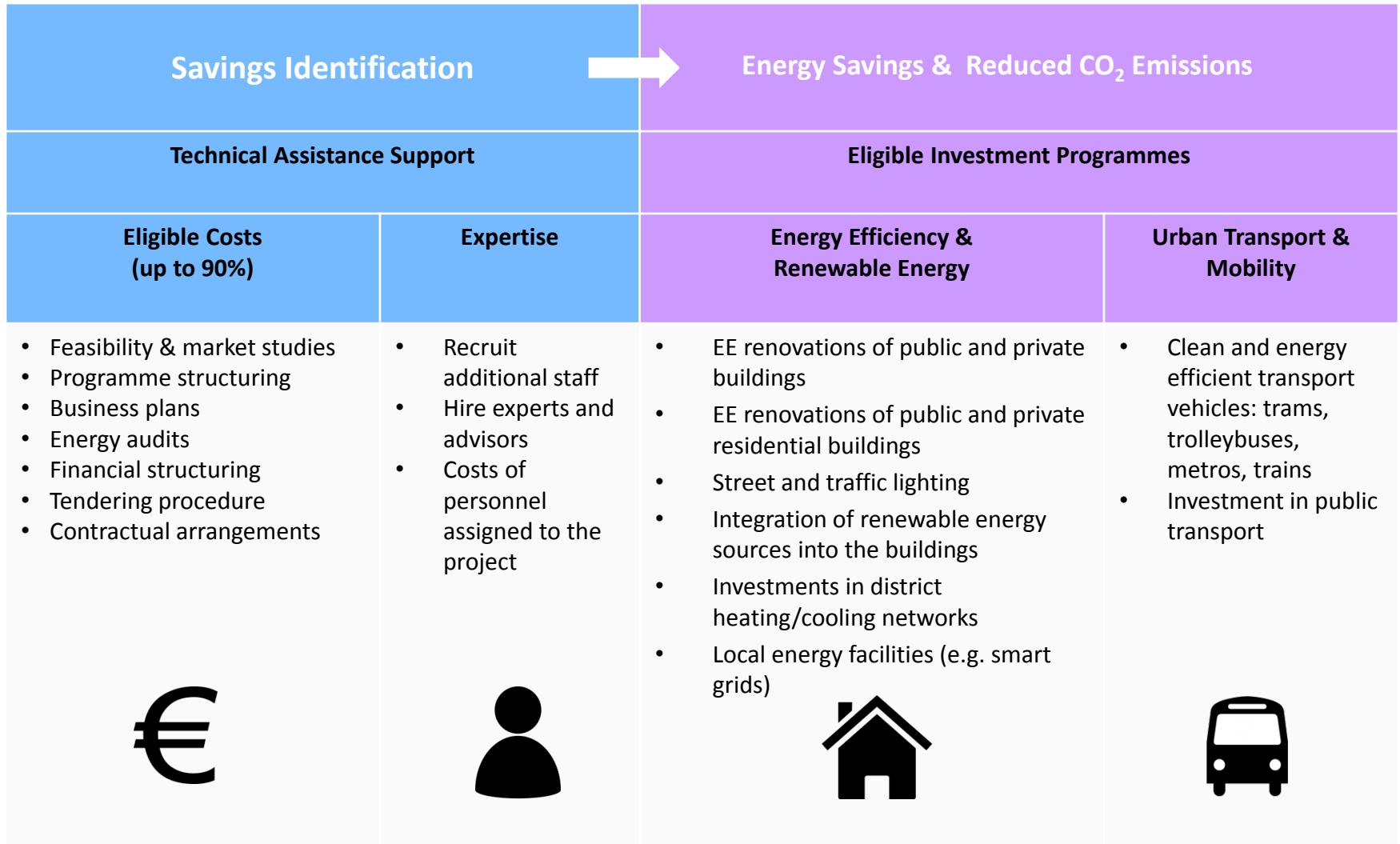


# Example – Technical Assistance through the European Local Energy Assistance (“ELENA”)

- ELENA is an EC-EIB cooperation to support public and private bodies in preparing their energy saving investment programmes with an objective of achieving EU 2020 and 2030 energy saving targets.
- ELENA can fund dedicated existing staff plus new external experts.
- Allocated on a first come, first served basis. No calls or competitions.
- ELENA portfolio to date: more than 80 contracts totaling over EUR 130m and supporting projects in over 20 countries. Associated investments on the ground are estimated to be in excess of EUR 5bn.
- ELENA will fund up to 90% of the project preparation costs (with 10% provided by the applicant).



# Example – ELENA



Thank you!

