

ORGANISING POLICY DIALOGUE ON SUSTAINABLE ENERGY INVESTMENTS:

LEARNING FROM THE WORK OF EEFIG (ENERGY EFFICIENCY FINANCIAL INSTITUTIONS GROUP)

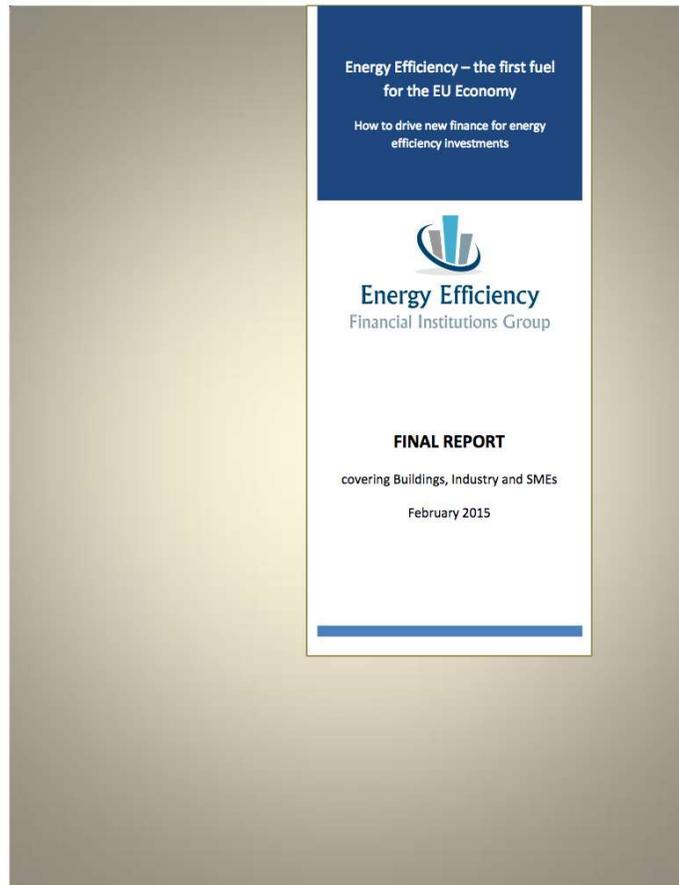
Annie Degen-Neuville, UNEP FI

Special Advisor Energy Efficiency Finance

Sustainable Energy Investment Forum: Financing Energy Efficiency in Central
Europe, Prague, 27 April 2017



The creation of the Energy Efficiency Financial Institutions Group (EEFIG)



- Co-created in 2013 and co-convened by the European Commission (DG Energy) and UNEP FI
- **Mandate:** to determine how to overcome well identified barriers, and who can overcome them
- **Composition:** 120 participants, 40% from the financial sector
- **Outputs:**

2014 : EEFIG Interim Building Report

2015: Final report “Energy Efficiency – the first fuel of the EU Economy: How to drive new finance for energy efficiency investments”



EEFIG: recommendations for market participants and policy-makers regarding the building sector

Policy makers

- **Existing Buildings Regulations** to be **fully implemented, harmonised and consistently enforced** across EU Member States
- Future Regulatory Pathways for EU Buildings should **provide concerted and consistent regulatory pressure to improve the EE of buildings**
- High quality decisions and low transaction costs can only be delivered by **easily accessible data and standard procedures**
- Reporting, accounting and procurement **procedures must facilitate, and not hinder, appropriate energy efficiency investments** in public buildings
- **Reach “at-scale” energy efficiency upgrade of residential buildings** by addressing specific investment demand & supply drivers of this segment plus the engagement and alignment of **retail distribution channels**
- To address of EE investment supply and technical assistance through the **smart deployment of ESIFs 2014-2020 and Horizon 2020 into risk sharing mechanisms** and project development assistance, working with partners with an successful track-record

Market participants

- **Engage key decision makers with a clear business case** that raises their awareness of the **multiple benefits** of buildings’ EE refurbishments with evidence
- **Make it easy to get the right data to the right decision makers**
- **Improve the Processes and Standards** for Buildings Labels, Energy Performance Certificates and Energy Codes
- **Standards should be developed for each element in the energy efficiency investment process**
- **Leverage of private sector finance** through appropriate use of ESIFs and Member States funds



EEFIG: recommendations for market participants and policy-makers regarding SMEs and industry

Policy makers

- Policy framework should positively support strong corporate energy efficiency investment choices at key points in their **investment cycle, using a “carrot and stick” approach**
- **Public resources and** facilitation should be engaged to establish **dynamic and effective systems for sharing information and technical experience**
- Ensure EU and national policies and resources are working effectively together to **drive R&D and optimal energy efficiency outcomes**
- Support the **clarification of the regulatory, fiscal and accounting treatment and standardisation of Energy Performance Contracts**
- Energy efficiency opportunity identification and investible project pipelines should be supported with **Project Development Assistance facilities for SMEs**

Market participants

- **Raise energy efficiency opportunities at board-level** and implement appropriate **strategic resource investments** to capture their **multiple benefits within the natural company investment cycle**
- **Financial institutions should more widely adopt existing “best practice” models** to stimulate client energy efficiency investments
- Encourage and support collaborative processes and consider **R&D whose objective is to reduce the cost of and improve the up-take of energy efficiency investments**
- **Standards should be developed for the legal terms in and process to negotiate energy performance contracts**



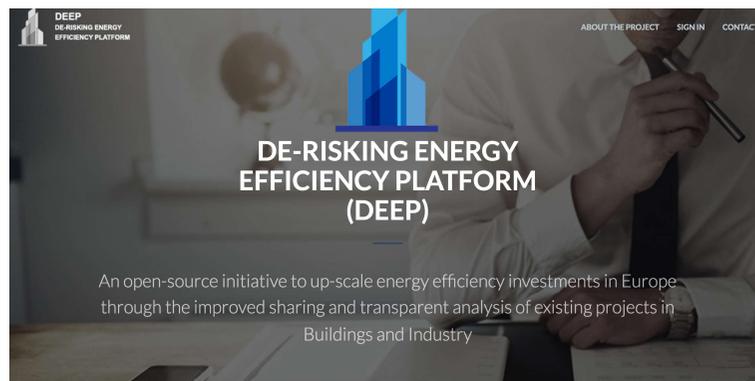
Further developments since the 2015 EEFIG Report : EEFIG Phase 2 and other EC funded initiatives

The EEFIG final report was promoted and presented broadly. We are now in Phase 2, which involves

EEFIG Phase II (2016-2017): the De-Risking Project

- **Creation of the Derisking Energy Efficiency Project (DEEP Platform)**

<https://deep.eefig.eu/>



- **Preparation of a guide on how to analyse and underwrite energy efficiency projects**

Additional activities made possible by Horizon 2020

- Support to innovations and recommendations from the EEFIG report, such as the **Investor Confidence Project** (on data standardisation) and the **Energy Efficiency Mortgage Initiative** developed by the European Mortgage Federation – European Covered Bond Council (EMF-ECBC)
- And for 2016-2019 the current mobilisation aiming to bring this work to the country level, with the organisation of the **Sustainable Energy Investment Forums and related activities**



Main learnings and key success factors

A productive policy-finance dialogue takes time and requires:

- A strong policy signal, with stability and visibility, key to enable the mobilisation of long-term capital and the development of products. A clear and enforced „carrot and stick legislative framework“.
- The commitment of parties,
- A core group and the support of networks,
- A focused scope or opt for subgroups,
- A dialogue with the sector policy side as well as on financial regulation,
- Market specifics taken into account, i.e. aiming at working at a regional or national level, as promoted by this series of Sustainable Energy Investment Forums through the European Union,
- And key attention to be given to ways to stimulate the demand side.



UNEP
FINANCE
INITIATIVE

