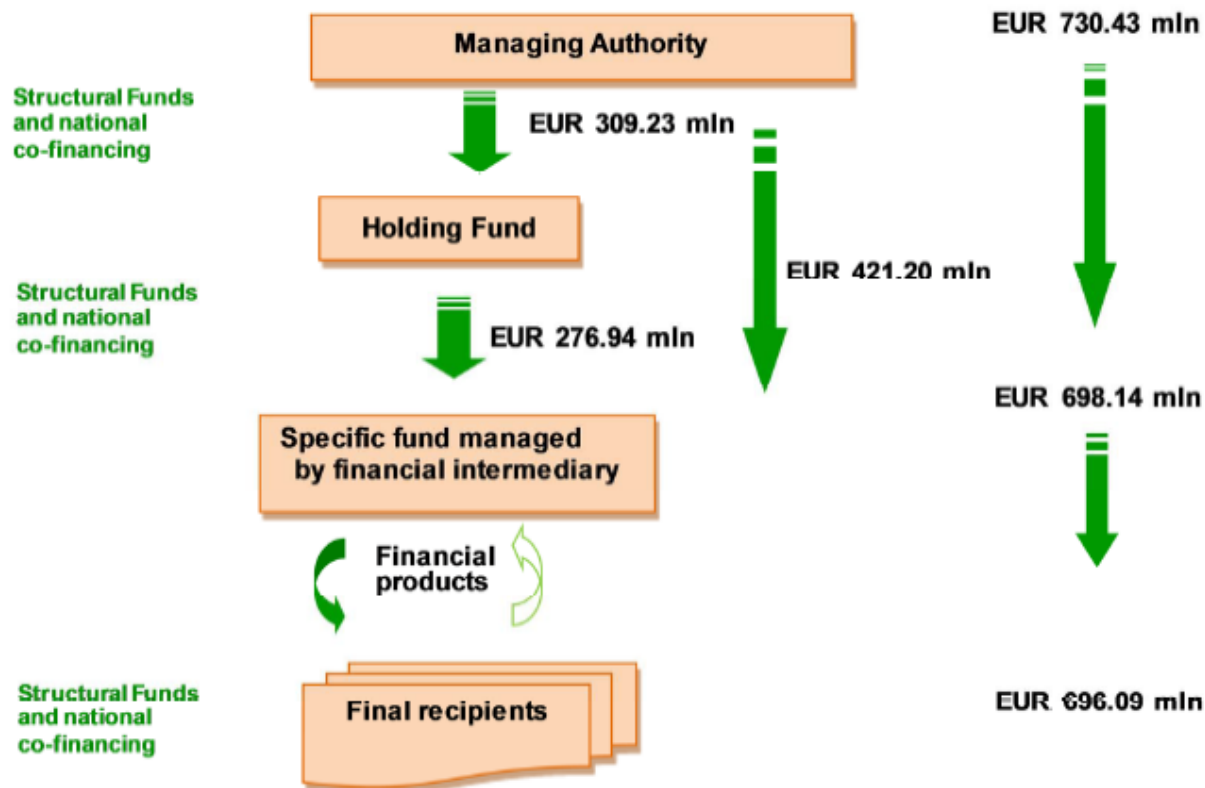


# Some results: FIs 2007-2013 (end-March 2017)



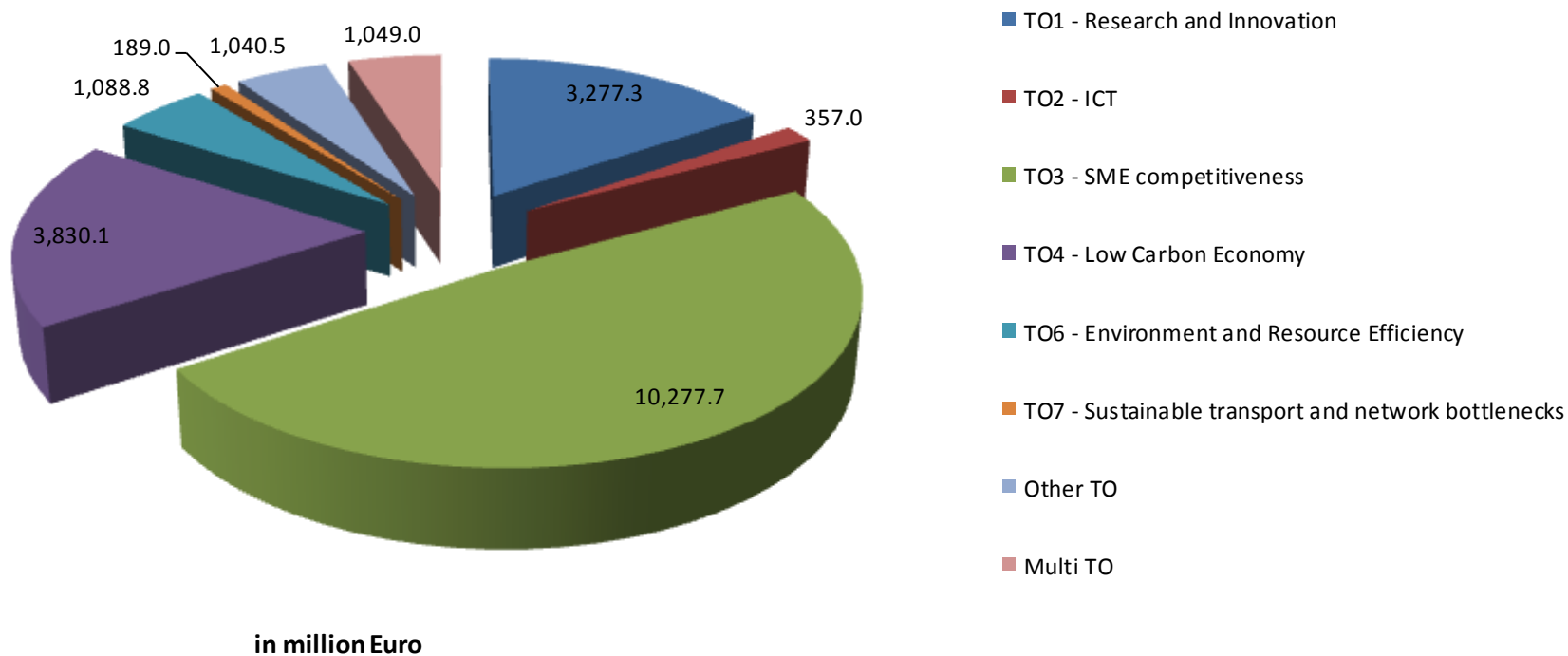
Figure 7 Operational programme contributions paid to the FEIs for energy efficiency and renewable energies and invested in projects at 31 March 2017 (in EUR mln)



# Financial instruments in 2014-2020



## € 20 billion planned allocations to FI for ERDF, ESF and CF by Thematic Objective



# Some results of 14-20 (by end 2015)



## ESIF amounts committed in the funding agreements to FIs at the end of 2015, in million EUR

	ERDF and CF	ESF and YEI <sup>1</sup>	EAFRD	Total
TO1: Innovation and R&D	728.77	-	-	728.77
TO2: ICT	292.52	-	-	292.52
TO3: Support to SMEs	985.72	-	9.25	994.97
TO4: Low carbon economy	893.61	-	0.20	893.81
TO5: Climate change adaptation	57.01	-	-	57.01
TO6: Environmental and resource efficiency	-	-	-	0.00
TO7: Transport	119.00	-	-	119.00
TO8: Employment and labour mobility	95.54	148.60	-	244.14
TO9: Social inclusion	-	-	-	0.00
TO10: Investing in education and training	-	-	-	0.00
Total	3,172.17	148.60	9.45	3,330.22

Source: [http://ec.europa.eu/regional\\_policy/sources/thesunds/fin\\_inst/pdf/summary\\_data\\_fi\\_1420\\_2015.pdf](http://ec.europa.eu/regional_policy/sources/thesunds/fin_inst/pdf/summary_data_fi_1420_2015.pdf)



# **Smart Finance for Smart Buildings: an investment instrument for energy efficiency**

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## Energy Efficiency

- ❖ Current annual EU investment in energy efficiency exceeds €100 billion
  - ❖ EU 2030 energy efficiency objectives expected to boost a building renovation market, with a value of €80-€120 billion in 2030
  - ❖ Annual investment need in energy 2020-2030 exceeds €150bn
  - ❖ Strong EU legislative role; improving regulatory environment, but financial stimulus also needed, particularly for household investment
- **Smart Finance for Smart Building initiative (SFSB) launched in December 2016**



## EU Energy Efficiency Financing Schemes - examples

Private Finance for Energy Efficiency (PF4EE): a risk-sharing facility

- EU EUR 80 million; total investments of EUR 540 million 2014-2017.
- **Average leverage effect 10x.**

The European Local Energy Assistance (ELENA): technical assistance

- Already awarded EUR 110 million. Triggered an estimated investments of around EUR 4.4 billion.

European Energy Efficiency Fund

- EC, CdP, EIB, DB investors EUR 264 million; public sector energy efficiency investment

***Lessons learnt: FI tended to underestimate the specificities of the EE markets: needs customized approach for each FI***

- **Even with money available on the market and a technical support - it is still difficult to build pipeline.**

# Smart financing for smart buildings initiative

## More effective use of public funds

*Deploying Financial  
Instruments and  
innovative business  
models to attract  
private finance*



## Assistance and aggregation

*Supporting  
the project  
pipeline at EU  
and local level*



## De-risking

*Understanding  
the risks and  
benefits for  
financiers and  
investors*



# The model

## EIB Debt Financing

=>

- Increase financial intermediaries' lending capacity to EE projects.
- **EFSI** will allow the expansion of EIB's financing volumes
- **EFSI** will allow EIB to reach a wider set of potential FI (higher risk profile)

+

## Risk Sharing Facility

=>

- attractive financing conditions to beneficiaries (lower interest rate, longer terms, reduced collateral).
- First-loss pieces could come from ESIF (absorb a higher level of risk and provide more favourable conditions in its deployment.)
- EFSI may be used to reinforce this mechanism

+

## Technical Assistance

=>

- To help FI structure and deploy bankable products.
- The **EIAH** and **ESIF** will be the main sources for deploying this facility.
- Should be tailored to the specificities of the supported EE projects

➤ **Sharing different tranches of risk, (Senior, FLP/SLP, EIB/EIF pricing)**



# Market Testing Exercise – energy efficiency investment support services in residential buildings

## Demand

- Nb of households
- Type of buildings
- Energy performance of existing building stock
- Climatic conditions
- Average cost of energy

## Supply

- Energy saving opportunities
- Building best practices
- Available technologies and EE solutions

## Financials

- Expected reduction in energy bills
- Expected increase in property value
- Payback period
- Investment amount

# Getting Member States on Board

## Flexibility



- implementation will be flexible ,to accommodate MS specificities and address the different needs of MS.

## State Aid Rules & CPR



- The investment platforms will clarify state aid issues and compliance with Common Provisions Reg'n, as these are important issues affecting MS decisions

## EIB Added Value



- The long experience of the EIB group in managing financial instruments
- The EIB continues to build on-going expertise in Energy Efficiency Investment

## What's next ?

- SFSB pilot projects to test the product in several Member States and calibrate it to the market's specificities
- Roll out in 2018